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Berisha: Recovery Will Take 15-20 Years

610705/40392 Tirana RILINDJA DEMOKRATIKE
in Albanian 22 Apr 92 pp 1-4

[Interview with President Sali Berisha by Skender Shkupi, secretary of the RILINDJA DEMOKRATIKE Editorial Board, place and date not given. "A People Like Ours Are Promised and Will Have a Worthy Future"]

[Text] [Shkupi] Mr. President, you are the best-known person not only in Albania, but abroad. Do you think that this special position may create a sort of danger if solutions to the nation's most crucial problems are delayed?

[Berisha] To be frank, I would not relate any of these things to my person, but first for me personally and for the parliament delays would undoubtedly be unforgivable. The government arising from the 22 March elections gained not only a strong and difficult mandate, but also sound credibility at home and abroad. It is necessary to use this credibility wisely in reconstructing the ruined economy without losing even a minute, solving the people's concerns and worries fairly, and fighting against crime.

[Shkupi] The Socialist Party has fiercely attacked Mr. Meris's new government, especially the defense minister. For instance, is it inevitably necessary for Mr. Zhulali to be a military serviceman?

[Berisha] In general, the new government of Mr. Meris has been well received by the people. This cabinet is certainly not the ideal one, but I think that this is the first democratic cabinet of Albania in the last 70 latest years. It is composed of intellectuals who are distinguished in their fields, speak foreign languages, and are determined democrats. The main criteria in their appointment have not been personal sympathies or relations, but their ability, wisdom, honesty, seriousness, and commitment to democracy. For the first time, we have in this government people who have won sympathy, confidence, and popularity among the people by opposing the former regime.

In forming Meris's government we have tried to consider geographical criteria, where this was possible. Its members come not only from three or four areas, but from all of Albania and the people are pleased by this.

When I stressed that this is the first really democratic cabinet, I considered the fact that it was formed in full conformity with Helsinki principles. These criteria require that the Defense and Public Order Ministries should necessarily be run by civilians. That is why we appointed Messrs. Zhulali and Koplika to head them. As for the arguments over this question, I stress that these have arisen from lack of knowledge about this issue. The defense and public order ministers have been and are civilians in every democratic country. Civilian officials have also been extended to other directorates.

The minister guarantees to apply the state policy in the Army or police, whereas the general staff ensures its responsibility and professional and technical leadership. Albania has entered a new era, the age of democracy. It will strictly apply all the obligations deriving from the Helsinki Act. That is why I am confident that Mr. Zhulali, who is a determined democrat and an efficient intellectual, will capably run the ministry entrusted to him.

[Shkupi] Our foreign policy has traditionally been stiff and very clumsy. Can you tell us what possibilities the victory of the Democratic Party opens for this policy, not only for the country's economic revival, but for protecting our national rights in the international political arena?

[Berisha] Our foreign policy will be a policy of open doors. It should aim at creating every possibility to integrate Albania into Europe and simultaneously to protect and fairly solve the Albanian question. It should help and facilitate the economic revival of Albania and its membership in international institutions and organizations.

[Shkupi] In an interview given recently to the daily paper of Padua, LA GAZETTA DEL MEZZOGIORNO, you stressed that "We will need at least 15 or 20 years for a social transformation," a phrase that was underlined by ZERI I POPULLIT on 16 April 1992.

How are plans for the country's economic revival?

[Berisha] I have admitted not only to this paper but to other papers that we will need two years to begin to feel the economic revival. I think that Albania will need at least 15 or 20 years to reach an economic development in all areas and at levels we would like. Perhaps others are expecting this moment to come earlier or later. It does not seem long to me when I think that transforming Albania from one of the poorest countries of Europe into a developed country requires 15 to 20 years. As regards the plans for the economic revival, the new government's program clearly defines its basic guidelines for decisive economic reforms. I am of the opinion that two factors are decisive: our work and the economic cooperation with the foreign world. We will be able to revive our economy only by interweaving these two factors.

[Shkupi] One of the intense points of the debate between the two strongest current political tendencies in Albania is the problem of the deep contrast between the liberalized prices and wages, which have been frozen at traditionally low levels. How do you think this contrast can be alleviated?

[Berisha] It is more than true that this difference has had a strong influence on the living standards of the great majority of civil servants. I have repeatedly discussed this problem with representatives of the IMF and the World Bank. Some express the view that an intervention is necessary. I have also discussed these problems with

the trade unions and I will discuss them with the government and the IMF. The government will then take the relevant decision.

[Shkupi] The long years under dictatorship have succeeded in damaging and deforming many virtues of our people. Crime and acts of violence have increased today and ethics and the basic elements of people's behavior have been distorted. Do you think that these problems are less important than ensuring food? Do you consider it appropriate to establish strict laws to prevent crime and eradicate the psychology of violence?

[Berisha] It is true that the long years under dictatorship have sapped the morality of society, as Mr. Haver puts it. Moreover, I want to stress that man's spirit and culture are thousands of years old. Thus, the disease of morality is not incurable. It is curable and completely surmountable. It is of great importance for us to develop citizens' qualities and human virtues and to encourage the development of culture. This will make it entirely possible to overcome the spiritual crisis we are undergoing.

It is of great importance not to forget that on 11 March we defeated communist rule but not communist customs and traditions. A very distinguished dissident named Polak writes that in the communist totalitarian system, the slave and enemy of communism are modeled according to the communist system. This means that in our struggle to establish democracy we should recall these words every day and avoid using "old models" and communist practices, which at present exist for everything.

I do not think that our laws are not strict, just as I want to stress that crime and corruption in Albania can be successfully fought against by respecting the laws. The president, prime minister, minister, judge and citizen should respect the laws in the same way. I am confident that by following this road we will establish peace and calm without needing procedures, investigator's offices, courts, or special laws.

[Shkupi] The socialist press has recently been insisting on three issues that were forcefully raised by the Democratic Party last year to continue the trial of Shkoder, punish the black men [former Politburo members] and solve the riddle of the gold. Is there perhaps hesitation on the part of the new government to pursue to the end these problems, which weighed like balls and chains on the legs of the former communist governments?

[Berisha] The three issues you mentioned are fair and need to be solved as soon as possible. I am of the opinion that it is a baseless and premature pretense to think that the government of Mr. Meksi is hesitating at a time when it has taken its oath of office only two days ago. For my part, I will ask the government to commit itself within its competencies to solving these problems that are very worrying for the whole Albanian public.

[Shkupi] What, according to you, are the short-, middle- and long-term prospects for Albania as a state and the prospects for the Albanian nation?

[Berisha] I cannot but be optimistic. I am always confident that there exists a solution to every difficult situation. We can solve our future by ourselves if we commit ourselves with great dedication and establish cooperation with other states. What we are asking now are the undeniable rights of every nation. That is why we will work and insist on fulfilling them. Of course, our first steps are difficult and the road we have to follow is not short. I am confident that a people like ours is promised and will have a future that will be worthy of its cultural aspirations and great ideas.

[Shkupi] Thank you.

Pashko Interviewed on Economic Prospects

(15/04/92) *Tirana BULETINI DEMOKRATIK*
+ *Albanian TV* 92 p. 1

(A narrated interview with Gramosh Pashko, Democratic Party People's Assembly deputy and former deputy prime minister; place and date not given. "Separation of Parties and the State—The Key to Democracy".)

[Text: BULETINI DEMOKRATIK] You have said that Albania needs one year to achieve stability. Do you still keep to this statement?

[Pashko] I was wrong. I did not properly recognize the role of the state mechanism and the role of the mechanism called popular psychology. In theory, the situation is as I envisaged, but develops differently in practice.

We Albanians experienced five centuries of the Ottoman Empire at a time when the countries of Central Europe experienced the Habsburg democratic tradition. Our psychology was formed under the monarchies of Zog and Enver Hoxha. We have now gained political and human freedom. There are many of us who think that this is now the end. However, stabilizing the economy demands even more sacrifice: a struggle against inflation, strict measures to limit the amount of money in circulation, and controlled rather than spontaneous privatization. These measures demand a stabilized state directed by a political class that has gained the people's vote of confidence. However, the measures that must be taken also demand a people who are ready to accept the solutions the political class will offer. We lack both the one and the other. For instance, when we intended to restrict the growth of the money supply and to free prices, we met such resistance that we were not able to take this measure on time or in the proper way. As a result, the amount of money in circulation tripled between July and December. As a result, prices rose with consequences much more serious than those that would have resulted from restricting the growth of the money supply and freeing prices. Thus, a weak government is not able to

implementation strong, stabilizing reforms. It easily falls victim to pressure. I had not taken this phenomenon into account.

I was convinced and still insist that the lek would not have depreciated so much if we had taken deflationary measures. The shops would be fuller if we had distributed them by auction and if we had freed prices. The prices would not be as high as they are today, making us tremble for the future.

All these measures, always on paper, gave me the hope that the Albanian economy would be revived within one year.

I am however now doubtful that stability is imminent. Macroeconomic indicators make a logarithmic rather than linear progression. Five months of disruption in the progress of an economy produces results that take several years to be repaired.

[RILINDJA DEMOKRATIKE] What do you think is the Socialist Party's future role in Albania's political development?

[Pashko] The idea of socialism in Albania has died. There is no danger of its reviving in our country for the next 10 years, even with its European image. However, socialism was not defeated by ideas but by the poverty it created. Meanwhile, there is a danger of its ideas entering by the back door as neocommunism. The Socialist Party is no longer supported by any ideology or doctrine. Its mother party at least relied on the idea of the dictatorship of the proletariat and on Marx and Lenin. However, those very same people who until yesterday threw you in prison or interned you if you talked about the market economy or private property have now become supporters of the market economy. The same people who destroyed the social economy talk louder than anybody else about a social policy, or rather state policy. They talk about an economy that will help the poor and speak against individuals enriching themselves, which is the opposite of the market economy. Well, let us recognize that this is their right. However, it is not democratic ideals that inspire them to political struggle. They are interested in power for its own sake. There are people who want power for the sake of gain. These are a segment of the middle-ranking officials appointed in the time of the Workers Party who are today in the Socialist Party and are incapable of performing any kind of work except management.

Nevertheless, people deeply educated in communist convictions constitute a special class. This class loves power for the sake of power, not for profit or for privilege. It loves power pathologically and is sick with the idea of the grandeur of power. It suffers from the megalomania that is the obverse of paranoia. Think of the great dictators of history, and how miserable their lives were in comparison with the praise given to their names. Imagine their sleepless nights as they fantasized how to set traps for their opponents. Imagine how frightened of everybody they were and how they liquidated everybody

who surrounded them, one after another. They sacrificed everything in their personal lives and gained nothing but power.

[RILINDJA DEMOKRATIKE] A great deal is being said about a second current within the Democratic Party (PD) separating you from Dr. Berisha. Does this current really exist, or do you still confine yourself to the opinion that has been expressed about different positions within the party?

[Pashko] I think that I have indirectly touched this question in the views I have just expressed. However, let me be more explicit. We live in Albania, in a paternalist atmosphere that adores symbols. Albania brought down the symbol of Enver Hoxha but has still not created a new symbol of democracy, which fortunately remains anonymous. It is however unfortunate for some people who adore symbols that democracy remains anonymous. They miss something to venerate. They therefore create communion and often illusory symbols. Let us recall the Bible for a while: God created heaven, but also created hell. God created the angels, but also the devils. They were more necessary to God than to men. These latter poor mortals as they were, continued to live between good and evil and the angels or devils minded their own business in heaven or hell. No living creature ever met them, but people's lives were given meaning by the lives of angels and devils and were formed in their image.

The creation of such a great deal of communion before the elections about two currents within the PD was an expression of immaturity, especially in the press, but this communion often concealed political motives. The Socialists desired it in order to create confusion about the opposition. Meanwhile, some writers in the opposition press wanted to make names for themselves in the opposition ranks by imagining devils. What evidence was produced? What resulted from all this? I saw that nothing of principle appeared.

I would like to carefully distinguish what might be called an alternative line from what constitutes a second position, a second opinion, etc. For me, the party line is connected with the program. The program aims to destroy the communism that still lives in people's mentalities and in existing institutions and, second, to build democracy. In this cause, nothing divides me from anybody in the PD, as long as this party really aims to destroy communism. However, I have and will always give myself the right to have my margin of freedom and to judge ways, means, priorities, etc. There are limits to the freedom that I allow to the individual judgment of myself and others. This is precisely because we are individuals. Specifically, in contrast to Berisha, I favored the elections being held in April, and I think I was right; however, this does not mean that I was not against communism. I was against our leaving the government at the moment we did, for the reasons I have stated, but this does not mean I was not against communism. I have said that the best way to destroy communism is to carry out the economic reform and to destroy its institutions so

that they will never be reform again in Albania, and have said that street pressure matters much less than these reforms, but this does not mean that I am in favor of communism.

I will always express my opinion whenever such problems are discussed.

[RILINDJA DEMOKRATIKE] ZERI I POPULLIT has recently risen strongly in the defense of you and some other PD intellectuals. The same paper continues to make a noise about the "blank check" (unlimited Western aid alleged to have been promised by Berisha following a PD victory in the March 1991 elections). I imagine that this new stance of the press will not please you.

[Pashko] This is not accurate. Of course, I have never wanted to be defended by dilettante articles in ZERI I POPULLIT. More than 60 articles were written against me in the first electoral campaign. At that time, they attacked me directly. They continued to attack me during the parliamentary session and when I was in the government. They have now realized that ZERI I POPULLIT has the contrary effect. Now they want to attack me by "defending" me. I therefore suggest they should not eat from the dish they have spit in. They also wrote and spread plenty of slanders in the last election campaign.

As for the "blank check," the attack on me was a mere bluff. Those with the slightest understanding of the symbolism of the "blank check" know that I have counted the figures on this check. Even before we won the elections, our mere participation in the government led to Albania's admission in the CSCE. Without approving a tangible reform program, Albania was admitted to the IMF and the World Bank (many countries including Russia are still not members). Albania received more than \$200 million in food and (without working and while paying people 60 percent of their wages). What more should have come to "Socialist" Albania after 31 March to convince these gentlemen how little of what they saw from this "blank check" was produced by themselves.

[RILINDJA DEMOKRATIKE] You have seldom appeared recently in the press or in public. Is this a retirement from active political life?

[Pashko] I have not in the least retired. I am dealing with something more long-term than everyday politics. I am completing a book about the economic reform in Albania and I have begun a textbook on the principles of a modern economy for students of the next academic year. I think that the time has come for us to realize that our policy today is to build democracy and that democracy cannot be built without books.

Official Accuses BSP of Fomenting Unrest

45.1105071592 Sofia DEMOKRATSIYA 4 in Bulgarian
1 May 92 pp 1, 4

[Interview with Major General Bogdan Bonev, chief secretary of the Ministry of Internal Affairs, by DEMOKRATSIYA representative Nedko Petrov, place and date not given. "Socialists Oppose the Law"]

[Text] [Petrov] Mr Bonev, how would you answer the provocative headlines that appeared in DUMA on 30 April, such as "Interior Ministry Seeks Enemies Among the People Who Sow the Land"? Is this not tantamount to a call for destabilization in the country?

[Bonev] Such headlines indeed constitute a cynical provocation because the statement of the Interior Ministry Press Center nowhere contains threats against country people. Threats are made only against the criminals who are hindering the land reform. It appears that, at the moment, DUMA thus wants to identify absolutely all country people with the criminals who are sowing the seeds of storm in the Bulgarian villages. This is not the case; information shows that only a certain narrow section of the population is opposing the implementation of the Land Act. For example, I can show you a fax just received from the regional directorate of the Interior Ministry in Pazardzhik. After listing dozens of cases of people taking the law into their own hands in relation to members of the liquidation councils and of open sabotage of the councils' work, the report ends with the following statement: "Evaluation of the incidents provides grounds for presuming that, behind the displays of discontent, stand former leaders of the labor cooperative farms and agricultural leaders who disagree with the Land Act, most of them being members of the Bulgarian Socialist Party (BSP)."

[Petrov] Is the Ministry of Internal Affairs really acting in the role of "arbiter in some dispute between the people of the land and official power" as DUMA claimed yesterday?

[Bonev] No such dispute can exist when we have a law. Maybe some people do not like the law, maybe they oppose it, but it is a law adopted by the National Assembly, and, good or bad, it must be carried out. There is no place for speculation. Whoever breaks the law will be punished; this is quite normal.

[Petrov] How would you interpret the accusation that the Interior Ministry announcement contains not a single concrete fact or detail about "weapons," "incidents of sabotage," or "instructions for destabilization"? Are any such facts available, and, if so, when will the public be informed about them?

[Bonev] It is simply impossible for us to publish in a single Interior Ministry announcement all of the information, which actually consists of materials of cases under investigation. If DUMA wants to publish specific facts on its pages, it is welcome to ask, but it is unlikely

to do so. However, the information is absolutely specific. Here is a typical example: "At approximately 2345 [2045 GMT] on 16 April 1992, an unknown person fired a shot at the window of the house of Iliya Angelov Stuchuklov in the village of Elhonsa, Panagyurshtse Township. He is the chairman of the village's land commission." I will give another example: "In the village of Tsaliapova, over 80 people are occupying the administrative building of the cooperative farm. Agricultural work has stopped. Under instructions from the public prosecutor's office, the police have taken measures to stop the illegal acts." There are dozens—no, hundreds—of such cases. "In the village of Byala Reka, Parvomay Township, unknown persons destroyed beehives and fruit trees owned by the chairman of the liquidation council, and an anonymous threat was made to kill him." On 24 April, in front of the offices of the labor cooperative farm in the village of Drakata, a group of about 200 men and women stopped the liquidation council from entering the building. In the conflict that ensued, one of the women drew a knife and threatened the chairman of the liquidation council. She attempted to stab him, but he managed to divert the blow; then others intervened and confiscated the knife. On 21 April, about 50 inhabitants of the village of Dryatovets took the law into their own hands and entered the dairy farm of the local cooperative to steal the animals. On 20 April, in the village of Nedelirva, Sueditents Township, the chairman of the liquidation council was beaten up. "We have reports from villages in Plovdiv and Pernik districts about people who are strutting about with pistols tucked into their belts and intimidating people. These are partisan weapons, and the threat to use such a weapon is a very real one. Apart from the fact that it is a crime under Article 339 of the Penal Code to possess and carry illegal firearms, there is a far greater danger exists for the public, because the action is connected with threats against the organs of authority, and the law provides heavy penalties for this. DUMA, while accusing the Interior Ministry organs, does not react to these events; therefore, the Socialist Party organ joins the side of the criminals."

[Petrov] Have there been any forms of organized sabotage on the part of the Socialists in connection with the application of the Land Act?

[Bonev] A brochure (illegally printed in Sofia on 21 April) has been distributed throughout the country. It contains certain basic misconceptions such as that the Land Act is purportedly antidemocratic, the blue (democratic) majority, together with the Movement for Rights and Freedoms, has created a law that will destroy the Bulgarian village; and so forth. Later, in the guise of legal advice, the brochure gives practical instructions on how to sabotage and oppose the liquidation commissions. This is a blatant instruction for sabotage, and it is no accident that the brochure is anonymous because its authors are perfectly well aware that they are inciting people to commit crimes.

It is very characteristic that the statements published in DUMA as criticism of our Press Center's announcements

almost completely coincide with the instructions and instructions of the anonymous brochure.

[Petkov:] The Socialists attempt to insinuate that some kind of "scenario" exists according to which the Interior Ministry organs are "coordinating" their actions.

[Bones:] This is absolutely ridiculous because, in this case, they are trying to run before the wind. If God forbid, what we have written about is true, then we are indeed arranging a scenario. In any case, the facts indeed speak for themselves. Sabotage has been centrally organized, and such instructions indeed lead to specific illegal and criminal acts. Because they know that this can be proved, but not at the moment, they claim that the Ministry of Internal Affairs has no evidence yet, when the Interior Minister does provide specific evidence, they claim that this is a pull-up job.

[Petkov:] What is your comment on DE MA's caustic remarks about the Press Center's announcement, which indeed contains several topographical errors?

[Bones:] Strange as it may be, the itinerantly corrected text was sent by one of their men. I refer to Dragomir Penchevski, a communist and coordinating officer employed by the former RABOTNICHESKO DELO, who was sacked by Dimitar Stoyanov and banned from working for any other publication. Whereas Major Nikov, chief of the Interior Ministry Press Center, proofread and prepared the text for broadcasting on television and radio, the person in question faked the attached text to DE MA. We will now make this person's services available to them, if they want to appoint him to a post.

BSP Accused of Instigating Peasant Unrest

41 0801 (PWSA) *Voices DE MOER (TSV)* in Bulgarian
' May 9, 2

[Editorial by Encho Mutafchiev: "Document of Violence"]

[Text:] We are publishing excerpts from the "document of violence" on page 1 of this issue. The brochure did not carry the names of its authors and publishers. It circulated throughout the country anonymously, in the form of a "circular," issued by an underground organization. It was a text with a veiled face, conceived with a guilty conscience by its authors. The subject was only one—to instigate illegal actions and to stir up unrest.

We knew about the document, and, in two subsequent issues of our paper, we asked about its author. In the Otziva (Echo) Television Program, a communist emissary, embarrassed by the pressing questions of General Bones, chief secretary of the Ministry of Internal Affairs, finally decided to "assume the responsibility," admitting that his party was the author and disseminator of the notorious brochure.

After the affair was disclosed, one of the supporting press organs of the Bulgarian Socialist Party (BSP)—namely

the daily ZEMLYA—began publishing the text. The ZEMLYA editors were entrusted with the assignment, while DE MA was spared the disgrace. Let us not talk about who is taking the cheaters out of the fire.

Hence, the BSP assumed the responsibility.

Our readers certainly realize who I am deliberately using terms that usually apply to terrorist actions. By assuming responsibility, some terrorists inform the police or the media about their intentions. Something of this kind occurred in our case: only the terrorists did not take the initiative; they were forced to disclose their intentions. They assumed the responsibility only after they were unmasked. Prior to that, the document-instruction was circulating all over our poor country, making it even more miserable. It was circulating illegally (Where was ZEMLYA to protest on that occasion?) and encouraged the peasants to break the law.

We also decided to publish excerpts from the brochure, selecting them at random, because they are all the same anyway.

This is how the undesired publication accomplished something our people would rather unceremoniously call "showing their bare asses." Their (the BSP's) true intentions and methods were demonstrated. The comrades are madly enraged that the land is being restored to the people and that the labor cooperative agricultural farms, one of the strongest levers of their system, are disbanding. The trick about the "cooperatives," being successors of the labor cooperative agricultural farms did not pass. The peasant is becoming a private farmer, and no one can blackmail him with the red hammer anymore.

Therefore, they started touring the country, creeping all over the place. From the members of the BSP Supreme Council to the rank and file, red emissaries—and armed "active fighters"—they are all touring the country and instigating people as much as they can.

"Why should you be surprised?" Crime is the essence of their lives. They started their regime with crimes, they ruled with crimes, and they are leaving with crimes. They were capable of killing people without trial without a sentence. They were capable of driving thousands of Bulgarian citizens into exile. They did not hesitate to commit the most horrible crime—namely, to annihilate the nation and turn it to an alien state.

Considering all those actions of the past, a document like the aforementioned one is a mere trifle. What does it cost them to instigate people to act against each other, brother against brother? What does it cost them to encourage people to break the law? The violence in the villages was exacerbated by their fear of being held responsible. A document such as the aforementioned brochure encourages violence, while the central and local party press media are keeping up the terrorist with verbal instigations, and their hysteria is further escalating under the impression of a few strikes and riots.

Life in the Bulgarian villages is peaceful today, with a few exceptions. The commissions are doing their job, and even some decent Socialists who are aware of the realities are assisting them. People are cultivating their land. It is sufficient to visit some rural areas to convince oneself of the facts. Have you ever seen so many people, so many cattle, and so many carts in the fields? The evil augurs who were forecasting starvation and anarchy are departing, the nation is healing, and this is what the party of destruction (communists) dislikes most of all.

They are the only ones who are obstructing life. Unfortunately, there are still thousands of them (let us not delude ourselves)—there are still thousands of red terrorists. They are concocting their "directives," they are disseminating anarchy; they are poisoning our society; they are trying to take us back to the past.

Nevertheless, I am almost convinced that they no longer believe their lies.

BSP Newspaper Alleges DPS Splitting

46 (199504)49; Sofia DE MA in Bulgarian 5 May 92;
7

[Article by Chavdar Krastev, "Splits in the Monolithic Movement for Rights and Freedoms"]

[Text] Openness and predictability are among the fundamental requirements for party formations in a democratic society. Despite the fact that in our country every political party is striving for maximum openness and maximum unpredictability, and despite the fact that we are a long way from the European standards in society, the current political formations in Bulgaria have nevertheless achieved a relative openness and a certain predictability. The only exception in this respect is the Movement for Rights and Freedoms (DPS).

The DPS emerged as the logical reaction to an infantile (to put it mildly) strategy for the solution of ethnic problems. The DPS was blessed by politicians with guilty consciences and political double-dealers. The movement rallied the overwhelming part of the Bulgarian Muslims in a monolithic block.

Nevertheless, Ahmed Dogan's "movement" was not any movement of progress.

It is stagnating with an unchanging number of the original ethnic Turks and of Circassians, Tatars, Gagauzes (Turkish-speaking Christians of the Varna area), Karaulbashes (unidentified ethnic group), with part of the Bulgarian Gypsies, and with part of the Bulgarian Muslims. The presence of some dissenters of Bulgarians in the DPS leadership shows only that traitors to their nation such as the literary hero Kuryak Stelicho will never be extinguished in our country. All the efforts of the DPS leaders to prove their expanding influence in one or another direction were denied by the opinion polls conducted by DEMOKRATSIYA and the Public

Opinion Research Center under the Ministry of Education and Science (DEMOKRATSIYA) published the results of the poll on 2 April 1992. Prof. Yordan Venedikov simply unmasked Ahmed Dogan's claim published on the same date (2 April 1992) in the weekly 168 CHASA, according to which the number of DPS supporters is expanding. The poll results show that the 5 percent of voters who voted for the DPS in November 1991 remained the same 5 percent in March 1992 regardless of the newly established structures in various areas of the country, such as in Mikhaylovgrad, Vidin, Vratsa, and Veriko Tarnovo, where you will not find even one Turk, according to Ahmed Dogan's statement for 168 CHASA.

As a matter of fact, both Prof. Venedikov and Ahmed Dogan are evidently missing some 5 percent of the actual votes for the DPS in the November elections. Because the poll claims that 41 percent of the voters voted for the Union of Democratic Forces (UDF) and 35 percent for the Bulgarian Socialist Party (BSP), and considering that these results were evaluated as "curious," the manipulations with the unchanging number of voters of the monolithic DPS can simply be accepted as an oddity. It can be regarded as a smokescreen to conceal the process of disintegration that is affecting the DPS.

The "movement" was doomed to absolute stagnation from its very beginning, considering that the rights and freedoms of its members were proclaimed and guaranteed as early as mid-January 1990. The DPS had exhausted its potential as a human rights organization even before it was established. The adoption of the new Constitution guaranteed equal rights and freedoms to all Bulgarian citizens, irrespective of ethnic identity and religious affiliation. The movement lost all its dynamic strength, which by no means corresponded with the interests of the small group of leaders with Turkish or Bulgarian names who were eager to gain personal advantage from concocting some kind of "communist rights." It was no coincidence that Deputy Tatarov published Deputy R. Raykov with a devastating look when the latter asked him the bold question: "For which rights and freedoms are you still fighting?" It was not accidental that the enraged DPS leader spoke about all sorts of other things but avoided answering that specific question.

The cited statistical survey of the Public Opinion Research Center under the Ministry of Education and Science stresses the "particular stability" of the DPS electorate. Nevertheless, it does not conceal the fact that 83 percent of DPS voters would vote for the DPS today, while 7 percent would vote for the UDF and as many as 6 percent would vote for the BSP. Nevertheless, if we were to add the necessary correction to the deliberate inaccuracy of the aforementioned poll results (namely, that 5 percent should equal 5 percent to the advantage of the UDF), as it was specified in the reference data of the poll, the picture would look quite different. The difference is so great that it forced Ahmed Dogan himself to declare: "We should not be surprised if

part of our electorate joined the electorate of other parties—adding as an incantation: "And it is not unlikely that part of their electorate could join ours."

Similar incantations only show the fear of the evident cracks in the monolithic DPS. The leaders of this stagnating "movement" have realized all too well that most of their voters are poor. Despite the fact that in their election program they announced an economic platform of a definitely social democratic nature, they practically betrayed their voters by supporting the SDS in the National Assembly, thus dooming them once more to the fate of poor servants, regardless of the many oaths that Dogan has sworn, committing himself to "establish the DPS as a center party" and declaring that: "We are already joining the center parties of Europe. This should be the next stage in the development of our movement, based on the new social realities in our country." The political maneuver—namely, of "voting against the interest of one's own constituents"—is already evident, and the Ahmed Dogan cohort will be obliged to witness an increasing trend of DPS voters moving to the left in the coming months and years.

The daily 24 CHASA, basing itself on the 14 April 1992 results of the Public Opinion Research Center poll, says that "11 percent of the DPS supporters are in favor of socialism. According to the same daily, 55.6 percent of the DPS supporters are convinced that "the existence of rich and poor in Bulgaria is unacceptable." The so-called ethnic realities are disintegrating in facing the economic conditions and are influencing the political formations, to mention how much they may be indoctrinated by the permanently fanned chauvinism and fear in the ghettoes created by the DPS in smaller towns and villages where the Muslim population prevails.

The unexpected monarchist enthusiasm expressed by some of the DPS leaders, the corruption of the consciences of potential traitors like Kuryak Stetsion, and similar other maneuvers are still canceling the processes of disintegration of the stillborn movement. In all likelihood, the sudden lunge for the "center" (because of the presumable increase of its influence in the next elections) was also aimed at healing the emerging split. However, the regrouping of our society, the overcoming of the emotional political self-identification, and the growing self-identification on the basis of economic interests is not likely to spare the DPS.

For this reason, the verdict of the Constitutional Court [refusing to register the DPS as a political party because it was ethically based] should not be regarded as a tragedy. The court simply declared that it is aware of the unconstitutional nature of the DPS. However, the political pragmatism of the judges prevailed over their sense of justice.

A "ban" on the DPS would have been likely to open unidentified wounds and unleash new emotions. Left to itself, the DPS, as it is today, having exhausted all other reasons for its existence, has simply no alternative than

that of permanently disgracing itself as a separatist organization, supporting the pro-Turkish and Pan-Islamic expansion west of the Turkish borders. The movement has nothing in common with the interests of its own voters, who feel more like Bulgarians in Bulgaria than like Turks in Turkey. In the circumstances of the developing social awareness in Bulgaria, which is proceeding along the path of democratization, the country's development is likely to prove the right of existence of any political formation much more effectively than any constitutional court. This is what Dogan himself has realized: "You cannot promote democratization while banning other people. The existence of a party is determined by the people's natural needs for it," he said.

This is a statement we cannot help agreeing with.

Former BSP Leader on Association With Europe

EL 110514/092 Sofia VECHERNI NOVINI
in Bulgarian "May 92 p. 1

[Interview with Aleksandur Lilov, former leader of the Bulgarian Socialist Party, BSP, and a member of the party's parliamentary faction, by Vemeta Rangelova and Elka Lazarova; place and date not given: "Our Admission to Council of Europe Is Only Beginning"]

[Text] On 7 May, Bulgaria became a full-fledged member of the Council of Europe. The National Assembly adopted three documents: the Council of Europe's Statute, the General Agreement on Privileges and Immunities, and the Supplementary Protocol to this agreement. Thus, it contributed to our return to the European family.

[VECHERNI NOVINI] To whom does the merit for this exceptional moment in our country's development belong?

[Lilov] One should not personify the merit, despite the fact that, in politics, it is important which politicians a state has and how they are assessed abroad. Bulgaria's admission to the Council of Europe is recognition of its development along the road to democracy. It confirms the Bulgarian society's awareness of the need to come close to the European principles and standard. Actually, the past three years ensured Bulgaria's democratic development. During those years, we adopted the Constitution, and new laws, pluralism of opinions, and freedom of speech asserted themselves. Consequently, Europe opened—or, rather, slightly opened—its door to us.

[VECHERNI NOVINI] How would Europe react if it sensed some new nuances in our democracy?

[Lilov] Europe cannot be deceived because it carefully monitors changes in the former socialist countries. It will accept only a state that will not be an alien body in its structures. Therefore, the manifestations of violence we see in our political life are alarming. Our villages have forgotten the policeman's baton! The police must not interfere either in the villages, in science, or anywhere

one except where it is necessary to protect the law and the peace and security of Bulgarian citizens.

[Mr. HERN/SCIVINI] So far Europe has not let us stand in the lights opened door.

[Luis] Yes, the beginning is positive. But what is more important is how we succeed in associating ourselves with other economic and political communities. If we want to join the European Parliament in 1993 years, we must advance very much in our economic and political reforms. This advance must be measured by European rather than by Balkan standards. It is important who leads the government, but real changes and results of the regime's actions are more important.

SDS Wants 'Underground' Brochure Investigated

(Luis Hern/Scivini) Sofia, DE MOKRITSKY (in Bulgarian) (May 8/92)

(Attributed editorial: "Who is the Publisher?")

[Text] To oppose the designation and appointment of members of the liquidation council by bureaucratic-administrative methods.

"For this purpose, meetings of owners of land and agricultural property should be organized in which persons to serve on the liquidation council, whose names should be proposed to the district administrator for appointment.

"To utilize Article 52, Paragraph 3 of the Regulations for Application of the Agricultural Land Ownership and Use Act as prerequisite the liquidation council to grant to those entitled to a share, including groups of persons, property in relation to their share.

"The pressure should be applied to members of the dissolved organization united into a new cooperative by the ruling council of the new cooperative and by the initiative committee described at the beginning of this brochure."

The above is taken from the document "Certain Practical Actions Regarding the Agricultural Land Ownership and Use Act," which we will publish in a later issue of DEMOKRATSIYA.

Before us is a document that actually provides a scenario for open resistance to a law by a political force. This law was adopted by the National Assembly and implemented in the most democratic manner by the country's legally elected institutions.

In practical terms, this document is horribly reminiscent of the rules for underground activity: illegal resistance, boycott, and anarchy with which we are so familiar from the past of a certain party. Now this party exists, under another name but is attempting by the same means to move the ordinary man to criminal fratricide, to wreak

retribution and, perhaps, in a more distant prospect, to participate in events like those now unfolding in a neighboring country.

Mr. Stokov's investigation under way to identify the publishers, disseminators, and authors of this "underground" publication that is being disseminated through the cells of the Bulgarian Communist Party that have allegedly long wanted to exist in our enterprises and institutions."

KNSB Staves Points Out Government's Errors

(Luis Hern/Scivini) Sofia, DE MOKRITSKY (in Bulgarian) (May 8/92)

(Article by Prof. Dr. Stoyan Stoyanov, Trade Unionism Are Not Ideal Partners, But We Know How To Use Them)

[Excerpt] After a declaration that was rather unexpected by the broad public and the subsequent total institutionalization of the Confederation of Independent Trade Unions in Bulgaria (KNSB) and the Patriotic Labor Confederation, the conflict between the trade unions and the executive power that had been slowly escalating finally broke out with full force. The development of these events was not unexpected, as a matter of fact, it was a logical result of the crisis in the relations between trade unions and government, provoked by the unwillingness of Filip Dimitrov's government to engage in a partnership on the basis of the already established tradition and by the government's incapacity to propose a new body to replace the previously existing partnership institution that should be acceptable to the other side.

The government, which could not believe that the two competing trade unions would overcome their mutual hostility, reacted with painful mismanagement in the first place, activating the trade unions of illegal political claims and refusing to assume their responsibilities in the second place, the government announced forthcoming structural and personnel changes, thus indirectly admitting its guilt, and in the third place, it postponed its reply to the crucial questions in a future time, following its recovery from being knocked down by excessive self-confidence and internal squabbles (passage omitted).

For those who, for one or another oversight or refuse to admit the errors committed by Filip Dimitrov's government over the past five months, prior to the moment in which the government realized the necessity of a reorganization, I take the liberty to point out a few of these errors.

First, the government erred in assuming that, unlike Dimitar Popov's coalition Cabinet, the new single-party government did not need the support of trade unions and employers and is perfectly capable of coping with its task, regardless of their attitude toward its actions.

Second, the government erred in deluding itself that the trade unions committed an unconstitutional attempt against the government's prerogatives by insisting that the agreements within the framework of social partnership should be considered as obligatory commitments for all sides that participated in the agreement. Such naturally also applies to the government.

Third, the government, instead of assuming the role of mediator between the trade unions for a just and equitable distribution of the confiscated property inherited by the KNSB, actually nationalized this property (by expropriating the KNSB¹⁰), thus grossly violating the interests of the trade unions and disregarding all international norms and, moreover, disgracing our country's prestige in the eyes of the international democratic community.

Fourth, the government made a mistake by refusing to disclose its programmatic intentions and by subsequently explaining this refusal on the grounds of the requirements of international financial institutions. Blaming responsibility to others is an art, but it should be perfectly mastered; otherwise the responsibility triggers back like a boomerang, and this in my opinion means that just (our) situation is likely to repeat itself.

Fifth, the government erred in introducing and adopting the country's budget without publicly announcing the decisions on the liberalization of prices and on compensation measures, something that recently provoked the fall of Andrey Lukanov's government and that today failed to produce the same effect, only because no one is interested in doing so.

Sixth, the government made the mistake of presenting the mass reorganizations of companies and the traditional replacement of economic managers (without specifying its accusations and without providing evidence of corruption or of incompetence) solely to justify the removal

of the individuals in question, i.e. the initial phase of the structural economic reform.

Seventh, the government made the mistake of closing down the Ministry of Foreign Economic Relations instead of entrusting it with logical tasks that no one else is in a position to accomplish today, as a result of which we lost and continue to lose accessible markets, while numerous enterprises are suffering from being unable to export their goods.

Eighth, the government erred in doing nothing to solve the question of the enormous debt accumulated by the enterprises with banks and business partners, which they cannot pay back, as a result of which they continue to function in a usually uncertain and hopeless, and even simply depending on the whims of their lenders.

Ninth, the government made the mistake of totally neglecting private business, which no longer believes its declarations and is hardly likely to assume its obligations and responsibilities.

The enumeration of the government's crimes could go on forever, but the word is that the mistakes are likely to multiply if the government should persist in its isolation from the public. This is to all repeat itself to affect the ruling coalition, but the government should make its own assessment of the situation, either it is willing to miss all its chances for the next election, i.e. for the employed, who represent the trade unions, parliament, and, as is known, the mass, interested in the political future, they are less and less interested in who is ruling Bulgaria. They are increasingly concerned about the chances of the average Bulgarian to live like a normal human being—namely, to be able to work and to earn according to his work, so that he may be entitled to say: I live well because I am industrious, capable, and honest, or to be told: You do not live well because you are too incompetent, and demand (without justifying) (the page omitted)

Division at Historical Justice Committee Meeting

NY HUNGAR Budapest MAJVAR HIRL 17
in Hungarian 11 Mar 82 pp 1-4

[Article by J.D. "According to Tibor Zsuzsanyi, the Constitution is the Last Bomb Planned by the Former Regime—Erzsébet Nagy Becomes President of the Historical Justice Committee"]

[Text] For almost a year now the Historical Justice Committee (TIB) has been bogged down in a debate over its bylaws, instead of working to represent the interests of its members, charged at the opening of the TIB general meeting MIF (Hungarian Democratic Forum) parliamentary representative and member of the operating committee calling the meeting, Tibor Zsuzsanyi. Despite all reports to the contrary, he added, TIB was not facing a crisis. Zsuzsanyi sharply attacked some of the leaders of TIB, who had since quit their posts. "They should have stuck around to be questioned, even at the risk of turning the membership against them." Among the reasons for calling the conference he alluded to the fact that the December meeting of representatives had not been called in a democratic manner. In light of that fact they have set up a preparatory committee—ordered to be chosen according to the speaker as a junta—which has called a new delegate meeting, primarily with the aim to elect a new leadership.

In his speech, interrupted by applause, he explained that the general meeting had been called not by the leading bodies of TIB, but "by an organization calling itself an operating committee."

He went on to say that the validity of the bylaws was being challenged by people who under the existing regulations could not have put enough of their supporters into key positions. "The way this group used its own actions that further their own personal goals can be considered democratic," he added. He reminded his listeners that TIB had been formed four years ago at his apartment, and those who joined later were attacking the very basic principles laid down at the meeting. He also expressed disapproval of a splinter group of PUSZK (National Association of Political Prisoners) that chose later to join TIB. He took exception to a statement by the group's leader, János Tóttman, who asserted that TIB had to be loyal to whatever government happens to be in power. "We thought that we were creating a much-needed organization that would be independent of governments and parties, an organization which if necessary can both cooperate and criticize the existing political bodies."

András B. Hegedus denounced those questioning the division of the Constitutional Court on the status of institutions issue. He criticized the protesters demonstrating on Szabadság Square on 15 March, accusing them of using the spirit of 1956 to advance their own agenda. He distanced himself from those who "were

attempting to lead TIB into the same kind with the ultra-right wing group associated with the furia. The end.

Speaking again as the vice president of the committee, Tibor Zsuzsanyi received much of András B. Hegedus' charges. He understood he said why people were dissatisfied with the press and why they were protesting against it on 15 March. He added, however, that TIB had not taken part in organizing the demonstration. He made it clear that he could only accept his own respect, the ruling of the Constitutional Court, and that he reserved the right to criticize that decision. He referred to the Constitution on the basis of which the court had considered its decision as the "last bomb planned by the former regime." The rule requiring two-thirds parliamentary majority vote for adopting new laws, he said, was a result of premeditated sabotage by the former ruling party. He also thanked those founding members who entered or signed a declaration to air their concerns.

In the course of the often-heated debate, the founders who had signed the declaration were accused by several members of working to dominate TIB. Pál Lőrinc, for example, was shouted down when he attempted to remind the membership of the importance of adhering to certain democratic rules of procedure. Nor was György Márton received with a general outpouring of enthusiasm when he spoke in opposition to ending old scores, and tried to remind those present of the role "our communists" had played in preparing the revolution. According to István Szász, while TIB had members of diverse views, there could be no doubt that they all had a duty to foster democracy and promote the value of parliament. The president of PUSZK, János Fonyó, suggested the creation of a super agency that would represent the interests of former political prisoners. In Fonyó's opinion the most dangerous enemy facing them was the MSZMP (Hungarian Socialist Workers Party), which was becoming stronger by the day.

In his address, TIB's historical president, Erzsébet Nagy, who had been chosen by secret ballot, spoke in support of the material and moral rehabilitation of all victims of persecution, calling on everyone to respect democracy and the law, and to adhere to the principles of legality. Tibor Zsuzsanyi, János Tóttman, and Gyula Erdős were named vice presidents. According to the committee's constitution, adopted previous, TIB is an all-national, all-party organization committed to the preservation of tradition and the protection of individual interests. The declaration welcomed the establishment of the 1956 National Revolutionary Alliance and held out the prospect of joining it at a later time.

Head of New Journalists Organization Interviewed

NY HUNGAR Budapest HETI HIRL 16-17/454-6
in Hungarian 28 Mar 82 p 4B

[Interview with Ildikó Kónya, president of the Hungarian Journalists' Association by András Lindner and Zoltán

Hungarian, plant and date not given. "Portrait"—first paragraph is HETI VILÁGGAZDASÁGI introduction.

[Toss] Already the editor in chief of the pro-government, and even more pro-MDF (Hungarian Democratic Forum) daily MAJNAR HIRLEM (which Kosa, age 49, was recently named president of the Hungarian Journalists Association [MJK]. The only child of village teacher parents in Transdanubia, he loses his father at an early age. Upon his mother's second marriage, Kosa moves from the Vas County village of Ándás to Budapest. Here he graduates from the Petőfi Rákóczi II High School in 1961, the joint staff of ESTI HIRLAP, a publication of the Budapest Committee of the MSZMP (Hungarian Socialist Workers Party), as an apprentice. "Initially I was very happy there. I must have visited at least 2,000 different places. I was writing reports, getting my own college education on the go. Eventually he discovers the real thing. In 1963, he enrolls in night school to study law and later philosophy. Subsequently, he tries his luck at another party organ, HETI HIRLAP, and also at the SZOT (National Association of Trade Unions) daily NEPSZAVA. "The journalistic atmosphere that prevailed at these places was nauseating, so I was greatly relieved when I was finally able to transfer to MAJNAR VILÁGGAZDASÁGI," he goes on explaining his adventures. Instead of charting out political lines, he takes up writing children's tales and even publishes a few historical novels. "They worked on me incessantly, trying to convince me to join the party. At one point they even had the date of my induction set, but I refused," he recalls his struggle to preserve his moral integrity. "My physical being was never in danger. Nor did I know much about what the sensible people were doing," he adds, downplaying things a bit. "There was a writers' writer team that used to hang out together starting in the late 1960's, and then there was the tightly knit group of friends around Csukás, Vég, and Vitéz," he adds, introducing another team of great names. "But I was also close to Mihály Csiksz, Ervin László and János Bródy." In the late 1960's, Kosa returns to NEPSZAVA. Prevented from attending the first time, he does not join the MDF (Hungarian Democratic Forum) until the Second Lakeland Conference, in the spring of 1990. He is offered a position at the HUNGARIAN FORUM. Soon he emerges as one of the leading voices in the government-affiliate Freedom of the Press Club, and now he has been named president of MJK. "I am a big fan of animals, and I will become emotional when I see a horse," he says, unveiling one of his great passions. The chief editor's wife is a commercial artist, and they have three children. Like her husband, Mrs. Kosa is also an MDF member, and their oldest son is already an active member of the Democratic Forum of Young People.

[HETI VILÁGGAZDASÁGI] In just two years, you have risen to editor in chief and president of a journalists' association. In addition, you are occupying the office of one of the former editors of NEPSZABASZ. Are you satisfied?

[Kosa] I have never aspired to rank or status. All I have ever wanted to do was write, and right now the fact is that I have no time at all left for writing. I am tired. As for the office, I have heard that it belonged to Szabó of the (TV) program "Blue Light" (Hungary's equivalent of "America's Most Wanted").

[HETI VILÁGGAZDASÁGI] You have spent much of your life working in the inner world of the press, which you have so often criticized recently. But for a long time working at the "standard-bearing" journal of the profession, you have helped to promote the interests of the water utility, that had already been described by the Trianon, Kiskőrös, and Nagymaros projects. Do you plan to make up for that now?

[Kosa] I have never promoted anyone's special interests. I have visited the waters and forests you are referring to. I did, of course, know whether the bridges were, but I had no personal ties with any of them. I was a minor tragic player back then.

[HETI VILÁGGAZDASÁGI] But still, you did manage somehow to compile a book of interviews in which you included, without even a trace of criticism, such people as the designer of the Trianon power plant and the mastermind behind the Kiskőrös water reservoir.

[Kosa] That book dealt with the grand old men of the profession. I tried to show the human side of highly knowledgeable specialists whom the regime was never able to get to conform to the Budapest's measures.

[HETI VILÁGGAZDASÁGI] Still there were other voices back then as well. Didn't you hear them?

[Kosa] I knew about Bó and the Argentinian. I had been misled somewhat. It was not until I saw a reality of the Nagymaros hydroelectric plant that I finally woke up.

[HETI VILÁGGAZDASÁGI] And did you learn anything from that experience? Would it be possible for anyone to lead you by the nose again?

[Kosa] I know that I am an emotional person, driven by impulses, and as such I tend to jump at new things, without hesitation. But now I know the limits of that too.

[HETI VILÁGGAZDASÁGI] For most of the 1980's you were a freelancer. Did that allow you to breathe at your own?

[Kosa] I was getting a lot of orders from publishers, primarily from Munk. Still after a year and a half everything began to feel like a chore, and I was beginning to miss being a part of a collective. Writing was not going well either. Slowly I was becoming depressed.

[HETI VILÁGGAZDASÁGI] Was that when you began to seek psychiatric help? Rather, has it that there were political reasons behind it as well?

[Kosa] That happened in late 1983, early 1984. I began to feel that this system would never end, and that there was nothing one could do about it. They told me that I had a counterrevolutionary attitude... But I was never threatened, and I cannot reproach anyone for subjecting me to political persecution.

[HETI VILAGGAZDASAG] We are happy to hear that. You are an author of 13 books. If you added up all of the Kosa works published to date, what kind of a volume would we be talking about?

[Kosa] Maybe 180,000-200,000 copies.

[HETI VILAGGAZDASAG] Have you always published under your own name?

[Kosa] Always. But sometimes I did sign onto with my initials.

[HETI VILAGGAZDASAG] Now that we are on the subject of the "profession." Whom do you consider to be the greatest living Hungarian writer?

[Kosa] I am partial toward the Transylvanians. To me Andras Szabo is the king of all writers.

[HETI VILAGGAZDASAG] And what about Gyorgy Konrad, who—János Ács's subsequent complaints notwithstanding—was recently named by a German magazine as its favorite? How does he rank on your list of top authors?

[Kosa] I used to read a lot of his works. Now I have no time for them. But I do think highly of him. Although I must admit that I was taken aback by his statements in SPÉGI. It was as if he had lost the even composure for which he has been so well known.

[HETI VILAGGAZDASAG] And if he had asked you to sign the Democratic Charter?

[Kosa] First of all he never bothered to come to me. Although even if he had, I would not have signed it. For I reject its basic premise that the current government presents a danger to democracy in Hungary. If it is in any danger at all, it is because of threats from other directions. From the MSZP (Hungarian Socialist Party)-MSZ/MSZ (Federation of Hungarian Trade Unions) alliance, supported by the MSZMP. If the Charter had contained reference to such threats I would have signed.

[HETI VILAGGAZDASAG] At the founding meeting of your Hungarian Journalists' Association the outstanding stylist, writer-professor Istvan Benedek, who is widely respected for his ability to speak to the point, stated that instead of freedom of the press what we needed was decent press coverage. Even Andras Szabo could not agree with that statement. What about you?

[Kosa] If I remember correctly that was not exactly the way he put it, what he said was that many people today were taking advantage of the freedom of the press, interpreting it as a license to take liberties with the press.

Then he went on to add that such freedom of the press we did not need. Perhaps the word "such" has been brushed over somehow.

[HETI VILAGGAZDASAG] Those darn four-letter words! And what do you think about them simply throwing Transilvia Parkashaz out of the room? That is not the way to promote progovernment humor.

[Kosa] Parkashaz has not said anything to me, nor have the organizers reported such an incident. If it had happened, we would have offered him protection. Despite the fact that I cannot relate to any of his views.

[HETI VILAGGAZDASAG] Included among your little collective are such highly recognized press stars of the former system as Akos Csorodai, Andras Sagar, Dezo Gyorgy, Akos Molnary, Istvan Szarka. Forget us for not listing them all. Are you not concerned that they are simply using you as their battering ram? Their bull's head shield? Or that they will eventually trample over you?

[Kosa] Your question surprises me. First, if they advance the claim that we have laid down your bones, I do not care if they run circles around me. I have heard similar allegations from others as well, which I interpret simply as attempts to drive a wedge between us. As that is something I will not allow to happen.

Bank Privatization Guidelines Adopted

QCR/10/48 Budapest: FUGTEL in Hungarian
18 Apr 92 p 4

[Report by P.B. "Bank Privatization"]

[Text] The government has adopted general guidelines for bank privatization strategy.

According to the government's position, the privatization of the banking system must be accomplished as a strategic privatization effort and is to be directed by the state. Accordingly, final decisions related to privatization will not be made by management, but will fall under the state's ownership authority.

Actual privatization must be preceded by the careful development of a strategy to organize the participation of the individual banks. The privatization of banks must be accomplished primarily as a result of increasing their capital.

Primarily in regard to large Hungarian banks, establishment of the following ownership structure shall be the goal until the second half of the 1990's decade:

(a) The state shall remain a major stockholder, but in the medium term the state's direct ownership share must be reduced everywhere to below 25 percent.

(b) Large international banks shall become strategic partners in large Hungarian banks, but in a way that Hungarian influence prevail in large banks.

such opportunities for participation shall be made available to Hungarian and foreign institutional portfolio investors including international financial organizations in order to improve the supply of capital. Such investors, however, shall not enjoy full voting privileges.

(d) Another important requirement shall be to provide appropriate opportunities to Hungarian small investors to join the banking privatization process (e.g., by setting aside a certain part of banking stock subject to purchase on the basis of "integration vouchers").

(e) Of course advisory firms with broadly based experience in bank privatization shall be selected on the basis of a tender invitation in order to successfully implement the privatization effort. Only one firm may be hired in conjunction with the privatization of a given bank. It would be inappropriate from the standpoint of both principle and practice for the state and the bank to hire separate privatization agents.

MNB Chief on Deficit, Bank Privatization

with Miklós Budmér, *FKVÉLELŐ* in Hungarian
in, on 12/11/91

(Interview with Peter Antal Bud, Hungarian National Bank president, by Dr. George Varga, *FKVÉLELŐ* editor in chief, past and done not given. "Economic Evolution" by Dr. Antal Bud, first paragraph is *FKVÉLELŐ* introduction.)

[Text] The Hungarian National Bank (MNB) showed an understanding of the "higher than planned" budget deficit and reacted with restraint, even though one could expect the central bank to act more firmly in a crisis situation like this. The MNB is responsible for the equilibrium of the money market and for preserving the worth of the currency; after all, in explaining the condition maintained by the MNB, the central bank president also stated his view that the annual allotment of \$50 per person could be increased with the concurrent abolition of the tax exemption status of interest income earned on foreign exchange deposits.

[Varga] How does the central bank react to the budget deficit explosion? What is going to be the bank's position if the budget deficit continues to exceed the amount approved by parliament for a longer period of time?

[Bud] The MNB's monetary policy need not be revised for the time being. Part of the budget deficit can be covered by 30 billion forints worth of state securities to be transferred to, then placed out by, the central bank. The rest of the deficit can be financed through the money market. This has been made possible by increased individual savings. The savings rate has reached a record high in Hungary, and this enables the financing of the budget deficit. Accordingly, there are no concerns of a technical nature.

[Varga] How about economic policy concerns?

[Bud] There are none, and I would like to address them. The state's debt burden will increase in 1991 (as published, next year, not stated) if we cover the budget deficit by issuing high interest paying securities at a high cost to the government. The debt burden is 70 billion forints of deficit financing amounts to between 17 billion and 18 billion forints, and the latter on 10 billion (as published, probably 10 billion) forints amounts to 40 billion forints. Accordingly, the state could find itself in a financial crisis.

The other effect caused by deficit financing is that it removes the entrepreneurial sphere from the money market. This should be understood to mean that whenever risk-free state securities promising a high return appear on the money market, savings are diverted to these securities and not to the productive spheres of the economy.

[Varga] In other words, the budget deficit should largely be blamed for the slow evolution of economic forces supportive of modernization.

[Bud] This is true. Whenever the nation's savings are absorbed by the state budget, all the related adverse consequences have an impact on the real economy. Accordingly, the budget deficit demonstrates the chances of economic evolution.

[Varga] The central bank's political actions suggest an understanding of the situation and are rather restrained. One could expect this institution and its president to take more stringent action in a crisis situation like this. In the regard to the interests of the country, the MNB's starting point should not be a listing of resources available for deficit financing, but the damaging consequences and cost involved.

[Bud] My starting point is the central bank law. It states that whenever the institution is in conflict with the government—as, for instance, relative to the state budget—it has a right to turn to the public. I would have the right and duty to turn to the public if the government pursued policies that undermined the possibility, of sustaining the value of the forint and if the government did not hear the views of the MNB president. I am no reason to turn to the public in the present situation. My association (cooperation) with Ministry of Finance professionals, we submit our economic policy proposals to the Economic Cabinet, and I feel that the Cabinet is receptive to these proposals. The government manifests a far-reaching willingness to cooperate. The way I see it, some new economic policy issues will be undertaken by the government in the near future.

[Varga] Does the MNB have an action plan for financial emergency?

[Bud] No, it does not. We do not expect a monetary crisis this year. The likely consequence of a greater than permitted budget deficit is that real interest rates do not decline or that they may increase.

[Varga] This then, would further deepen the recession.

[Bod] Exactly! But this is not primarily a monetary problem.

[Varga] Why not? An upward pressure on real interest rates caused by deficit financing does have an inflationary effect.

[Bod] In this sense yes, it is a monetary problem, because the ripple effects of increased banking costs affect other price responses. Banking costs constituted more than 1 percent of all enterprise expenditures in 1990. In reality, however, I do not count on inflationary pressure in the short term because of the recession. I think more eager to see a further reduction in production and growing unemployment. Incidentally, and this is not just an audit, producer prices increased only by thousandsths of 1 percent in February.

[Varga] What causes the decreased savings rate at a time when KSH [Central Statistical Office] data show a decline in production, and declining real wages and real income, and when unemployment is growing at a dramatic speed? I have only one explanation for this. Banking records reveal deposits made by small entrepreneurs the same way as household savings.

[Bod] It is indeed difficult to see this picture clearly. And whatever is not clear to you is not entirely clear to the bank either. If we were to take seriously the 7 to 8 percent decline in the 1991 gross domestic product (GDP) as reported by the KSH, and the volume of household savings reported by the bank, the result would be that 18 percent of all individual income went into savings. If this were true, this rate would exceed even the Japanese rate of savings! The savings rate has increased from 2 percent to 8 percent as compared to the GDP.

[Varga] Is this data reliable?

[Bod] It is not, because we do not know the actual size of the GDP. In other words, your puzzle could be solved by assuming a likelihood that the GDP was larger than what the KSH records showed. In this way the ratio of savings would immediately drop. The other explanation for this phenomenon is what you are assuming. Part of the savings set aside by entrepreneurs is shown as household savings. In addition, the fact is that the Hungarian economy is assuming Italian features, i.e., some entrepreneurs and some private persons do not pay taxes after their income. These "savings" show up as bank accounts nevertheless.

[Varga] A strong pressure exists these days to reduce interest rates. But reducing interest rates would be risky because of a possible weakening of the propensity to save, and it would not be certain that this could be accomplished anyway because of the budgetary situation. Shouldn't there be a tax incentive to invest?

[Bod] What I am about to say will make me unpopular among entrepreneurs, but in my view the tax burden in

entrepreneurship appears to be fairly low in 1991. The actual situation is different as I pointed out a few moments ago. A substantial part of entrepreneurial income slips out from under tax obligations. This is why I disagree with your proposal. If interest rates are cut, relief could be granted in the framework of the 20 percent treasury tax on interest earned on deposits. As a result of this tax there would be a trend to maintain an artificially high level of interest rates on deposits, and consequently also on loans. Accordingly, a full or partial abolition of the treasury tax could help to reduce overpricing. But this is the only field in which I could think of a tax reduction. High interest rates are one of several obstacles in the way of an existing entrepreneurship and investment environment. Interest rates should also be reduced to prevent foreign firms from enjoying the influence of Hungarian monetary policy. Foreign-owned firms operating in Hungary borrow funds in foreign money markets because of the presently high interest rates.

[Varga] As long as you have maintained the view that the burden of the interest earned on foreign deposits is the mention the fact that financial crises are threatening the possibility of terminating the tax exemption on interest earned on foreign exchange deposits. What is your view in this regard?

[Bod] Interest on deposits should be taxed, interest doing so would violate some political norms. In my view, the fact that interest earned on foreign deposits is taxed, while the same on dollar deposits is not, represents a distortion. The two types of income should be treated the same way.

[Varga] Some MNB leaders have raised concerns about the \$400 million surplus of the current balance of payments. Do you find yourself in the same situation?

[Bod] I do. I would not mind seeing a current-travel surplus resulting from, let's say, a higher pace of machinery imports. The high surplus indicates that the absorption capacity of the Hungarian economy is low.

[Varga] At the same time, the high surplus is also a source of inflationary pressure.

[Bod] Today, foreign exchange regulations involving the banking system are the primary source of inflationary forces. Therefore, if the influx of capital continues to increase as it has thus far, and if the government is not involved in the real economy that is depressed or semi-depressed, the risk that this practice is going to have an inflationary effect is also going to increase. Presumably, the MNB is forced to take tight-money actions to reduce this risk. The last time we took such action was in October 1990. On the other hand it is true that the unpleasant consequence of this is a 10-percent nominal rate on money loaned to banks. The same rate is 10-15 percent in Germany, for example.

[Varga] I feel the same way about the balance of payments as I do about savings. Last year's final trade balance showed a deficit, while the current balance in

payments closed with a substantial surplus. The same includes an item familiar to many: uncompensated transfers, the volume of which shows a dynamic increase, and this, too, increases the surplus. Could you explain to me what is at issue in this regard?

[Bod] The item you just mentioned amounted to \$100 million in 1991. It is a significant amount, indeed. Previously, this item has been regarded as high if it has reached the \$100 million (probably \$100-120 million) level. Eighty-five percent of the amounts designated as uncompensated transfers represent transfers to domestic foreign exchange accounts, and 15 percent consists of funds transferred to employees, governments and, transfers to persons who have relocated themselves, etc. Accordingly, it is easy to put down what this 15 percent consists of. Eighty-five percent of these transactions consists primarily of movable merchandise and service exports. I believe that at least \$100 million of this amount should be added to the value of exports, in which case our trade balance would also turn out to be different.

[Varga] What is your view of the central bank's reserve policies? Don't you regard a more than \$4 billion reserve as excessive?

[Bod] Not if we compare this amount to the increased volume of imports. The reserves still cover only four and a half months' worth of imports. In addition, a substantial part of the reserves consists of short-term foreign exchange accounts owned by Hungarians and payable on sight, and this is not the most favorable form of reserve financing. Although it is relatively cheap, it is also liquid. Having appropriate reserve policies in the price one has to pay for economic security.

[Varga] Foreign capital inflow plays an important role in the real appreciation of the forint, it turns, this appreciation slows down inflation.

[Bod] ... And increases real interest rates, as well as deepens the recession. This magic circle must be broken so that we end the recession without unending inflation.

[Varga] Would not the favorable balance of payments situation and the favorable position of the forint permit an increase in the \$50 annual allotment given to Hungarian tourists?

[Bod] This rule has been established under constraint, a change in this regard is on the agenda. I would oppose this for only one reason. Many would use the higher amount to purchase convertible currencies to deposit these in high interest bearing foreign exchange accounts. This would further increase our concerns relative to the balance of payments surplus, excessive liquidity would increase further. This endeavor to convert forint into convertible currencies could also be reduced by taxing the interest earned on foreign exchange deposits.

[Varga] Do you envision a possibility for foreign, and, of course, also for Hungarian entrepreneurs to perform foreign trade transactions based on the forint?

[Bod] Yes, the conditions for this already exist. The MNB board has decided that foreigners exporting to Hungary may accept forint payments on their invoices. A foreigner could maintain his forint balance in a Hungarian bank account and could use such amounts in Hungary for the purchase of Hungarian goods and services. Thus we would have a *de facto* Eurodollar, another major step on the path of rendering the forint convertible. At the same time we must also impose certain restrictions. For example, we do not permit foreigners to invest their forints in securities issued by the state, because the return on such risk-free securities is rather high. This of course is not meant to be a perennial rule, we would probably lift this restriction if interest rates dropped significantly.

[Varga] When is the MNB's decision going to take effect?

[Bod] This is going to be announced in the form of a government decree. The proposed text of such a decree will be submitted by the bank in the near future.

[Varga] One hears many different, and even conflicting views concerning the privatization of Hungarian banks these days. To mention just one: Some swear by strategic investors, others believe in portfolio investors. Where do you stand on this issue?

[Bod] I represent a partly liberal and partly conservative viewpoint. I am liberal insofar as I caution ever-vigilantly against developing a strategy of general application, and mainly against developing a uniform strategy. As a business transaction, bank privatization requires individual evaluation. It then follows that I do not regard as fortunate, but mainly as useful for us to commit ourselves at the outset to a certain type of foreign investor. In some instances we will find that strategic investors are needed, in others we will want to choose portfolio investors. I would not restrict in advance the range of foreign capital that may be invested in our banks either. I would not rule out possible foreign majority control in large banks. It is yet another matter that we ought to avoid a situation like this in terms of the Hungarian banking system as a whole.

My only restrictive condition would be to require that foreigners not represent themselves merely by establishing an office here. Instead, they should establish and build a network of offices, and should contribute to the development of the infrastructure of the countryside. This should be close to their clientele.

Finance State Secretary on Budget, Privatization

30.100140 Budapest: FUGYELO in Hungarian
10 Apr 92 p. 11

[Report by Gábor Karai on his discussion with Tibor Pongrácz, Finance Minister, political state secretary and

Chairman of the State Property Agency [Interviewer asks and does not give "Budget and Privatization"]

[Levi]: "Is a potential state secretary a potential wild bear of your race, one who needs not be competent in professional matters?" A number of your journalists colleagues have inquired whether I came to the ministry as a consultant. Showing irony rather than being offended, Tibor Pongracz asked the above question during our conversation. He was appointed a few weeks ago to serve as the political state secretary of the Finance Ministry and as chairman of the AVK [State Property Agency]. "Whereas," he added, "this position enables me to perceive myself as an economic policy maker capable of acting independently from group interests."

I discussed with him dual positions. I inquired from Tibor Pongracz about both the budget situation and privatization. He politely declined to answer my questions concerning the factual situation that surrounds the budget. "The budget is not my favorite topic today. I am aware of the general situation, of course, but it would be appropriate for the minister to be first to discuss figures." Recognizing my lack of competence, he added: "No two identical figures are published concerning the economy. For example, at the beginning of the year the amount of operating capital received in Hungary during 1991 has been estimated to amount to \$1.5 billion, subsequently they began talking about \$1.7 billion and \$2.0 billion, and to now I have also heard of a \$2.1 billion figure. I would not want to provide erroneous figures. One thing is certain. The situation is worse than expected and" do not like to discuss the reasons that caused this to happen.

Mistaken Forecast?

His caution is understandable. According to preliminary data published by the Finance Ministry, the first-quarter budget deficit amounted to between 40 billion and 41 billion forints, but according to Karolyi Andras Szen, National Assembly Committee on the Budget chairman, on 23 March the deficit amounted to as much as 74 billion forints. A significant part of the difference could be explained by the fact that on a time-proportionate basis those privatization revenues were transferred to the state budget (than scheduled), and with the temporary repayment of advance taxes claimed by banks, which were disbursed at the request or demand of the Finance Ministry. The admitted level of budget deficit well exceeds the time-proportionate part of the 64 billion forints (deficit) scheduled for the entire year, disregarding the tactical steps that have been taken, it even exceeds the annual amount scheduled (in top of everything, not much good can be expected to occur during the remainder of the year. If general meetings held by banks decide to reduce the level of targeted reserves recommended by the directors, and if, as a result, the amount of profit taxes paid by banks increases, this action is not going to offset the shortfall in economic performance vis-a-vis the forecasts—a matter that may be regarded as certain—and thus also the taxpayers

about the pay taxes. The explanation is simple. This year's calculations projected stagnation is zero to 2 percent decrease in comparison to last year's performance. But since at the end of last year economic conditions were well below the average, even stagnation would require a significant growth of compared to the conditions that prevailed in December. This, on the other hand, appears as entirely unrealistic. For this reason, a number of business and researchers regard a budget deficit of two or three times the projected amount as possible.

Tibor Pongracz, on the other hand, regards the possibility of this forecast as unlikely. He acknowledges that the revenue side of the budget had been predicted incorrectly, and that therefore last year's and this year's gross domestic product (GDP) would be smaller than expected. But he rules out the possibility that this is a result of a conscious effort to underestimate the budgeted revenues. Although the government has debated at length ways in which to reduce expenditures, in the end revenues had to be adjusted to conform with the combined total amount of expenditures plus the deficit. Pongracz added:

Discipline Is of Primary Importance

The state secretary regards a relaxation of the financial discipline as the chief problem. In his view, to one refuses ownership authority at state enterprises, as a result of this there is no intention to increase profits, at the same time private enterprises use both legal and illegal methods to avoid taxation, although, in theory, one cannot dispute the fact that they are overtaxed. Taxes owed by enterprises alone amount to about 50 billion forints. Enterprise indebtedness in the form of credits differs plus general sales taxes is overwhelmingly high, it amounts to 120 billion forints. With a declining standard of living, but even more so, with broadening illegal commerce, a tangible indication of consumption tax revenues can be felt.

Pongracz does not regard the preparation of a supplemental budget as necessary at of now, because, in his view, the budget could easily be stabilized by collecting overdue taxes and customs duties. Pongracz gave an evasive answer when asked whether he agreed that a provision of the bargaining law that permitted the partial write-off of taxes and customs duties owed by enterprises—a measure that strengthens the Finance Ministry's power position but reduces state revenues—was unusual in the context of governmental practice. He said that the provision was defensible nevertheless well intended, it regards the state as an ordinary creditor. He expressed doubt (about my assumption) that this was a new form of plan-oriented and regulatory bargaining, and compared the manner of international companies to quoting Lenin's remarks on that was customary in the previous system. Examples, not in quotations, can be found in relation to everything. He then went on to quote Chamberlain who said that economists were supposed with a sharp knife but whose functioning was obscure. In other

world, it could only be done at the lowest expense. The provision of the Hungarian law proved to be appropriate.

Is Privatization

I put my questions pertaining to it what could be done if the budget deficit increased toward the end of the year was appropriate or discussed every possible method of increasing revenues. There is no chance for increasing customs duties and taxes, a possibility is a dual rate general sales tax also recommended for many national financial organizations—now at 8 to 10 percent and another between 17 and 20 percent—in principle, in principle at any time, but in actuality if international treaties, this kind of tax would also have to be offset by (increased) payments to individuals, under social policy provisions, and would cause unfavorable effects from the standpoint of anti-inflationary policies. I told Pomplai I am firmly opposed to increasing the current 20-billion-forint allocation of privatization revenues in the state budget, and believe that it would be desirable to use these funds for reorganization prior to privatization, for privatization guarantee funds and to finance low-interest privatization loans.

Is There Going To Be Reform?

I told Pomplai clearly recognizes the fact that state bonds financing budget deficits divert resources from enterprises and hinder the reduction of interest rates (even though by now, nominally high interest rates are no longer the only obstacles in the path of reorganizing). From the standpoint of reducing interest rates Pomplai regards the use of privatization revenues for the establishment of guarantee funds which reduce risks taken by banks and thus also the interest rates as important measure. He also believes that incentive-driven reorganization be abandoned. The budget situation raises questions, however, as to the feasibility of exactly the latter.

I asked the state secretary when he would wait state household reform that had been promised to be introduced by the end of last year. Could opposition exist initiatives be correct when they say that a household reform law would not be introduced prior to the next elections? Pomplai asserted that the idea of state household reform has been raised 10 years ago when Imre Mezős served as minister of finance but it has always been postponed. In order to accomplish such reform it would be necessary to define the extent of the state's involvement [in the economy] more accurately, to reduce the state's involvement, and this is particularly difficult in a country that is becoming increasingly poor. The transformation of large distribution systems, in parliamentary democracies has been a result of several years of debate only small changes are likely in this regard in Hungary, too. In any event, work in this regard should be accelerated, according to the state secretary.

In late March Pomplai granted an interview to NEPN, ABA(ISA). At that time he asserted that "in present

management is also to partly purchase enterprises that practice it at least as efficient from the standpoint of its manner of selling everything in foreign firms." As the state secretary was most precise, as state secretary, "I do not believe that the manner would like to use any kind of water. Whoever has money is engaged in that part," he said. This is an interesting contribution to added, because public opinion polls show that an overwhelming majority of the people support the development of a market economy and privatization. Pomplai attributes great significance to attracting foreign capital—we are still very far from the average of a 15% in foreign (foreign ownership) share that prevails in Germany—and regards managers as one of the sources from which a Hungarian capitalist class could emerge.

One of the sources of a national capitalist class is, in other words, going with establishing the Enterprise Law's board. Pomplai is also regards the reestablishment of conditions for management buy-outs as urgent. Pomplai also agrees with the idea that we should endeavor to privatize state property as fast as possible, a slow pace would cause great damage in the form of stagnation and the growing number of people who "eat" social investments. Pomplai nevertheless believes that under a law of privatization cannot be substantially accelerated due to the given foreign and domestic demand. For the reason Pomplai does not attribute an overly great significance to the size of enterprises that continue under complete state ownership either. We will have an ample supply of things to privatize and the enterprises that are going to belong to the heavy State Property Trust. Privatization must be increased on a regular basis, anyway.

What is your view of Tamas Szabó's article in KKK leaders that halted the second wave of self-privatization, and in which he recommended reorganization within the MVE (Hungarian Democratic Economic participation) and with the "Monopoly group"? I asked Pomplai. I asked this question because this matter reminded me of methods used in the old system, when the party provided directions. The state secretary believes that, all cases, independence of party standing must be based with respect to privatization issues and feels that the process itself must be rendered irreversible to a maximum extent to bind the participants and the party.

Pomplai regards demand for privatization, and in general, the stimulation of reorganizing as the key issue, similar to economic growth is concerned. The historical trend of conditions needed for economic growth, however, is influenced, among other things, by the rate of inflation. "We must raise not the possibility of a kind of growth proclaimed by the 16th Congress of the MSZMP (Hungarian Socialist Workers Party) in 1987," he said, then added, "We will not impose the MSZMP's character in the restructurings at the cost of an economic equilibrium. The government and the party I am a member of has a greater sense of responsibility than that."

State Accounting Office Activities Discussed

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[Report to U.S. "Classified State Accounting Office
Reports"]

[Text] In most instances the State Accounting Office (ASZ) does not even know the state of state assets it is supposed to protect, according to ASZ Chairman László Hágymajer at a press conference concerning his organization's annual report, urging the adoption of the state household law. Auditing the books of some 3,200 autonomous local governmental units also presents a significant concern, not even the ASZ's institutional staff of 61 officers for the performance of this function, not to mention the fact that no functional technique for doing so has yet been found. The ASZ will soon examine governmental measures aiming for the alleviation of unemployment, and will conduct an after-the-fact audit of the Hungarian Television to find out the extent to which Harkai's action plan could discontinue the commissions that were revealed. The management audit of the Hungarian Radio, the Ministry of Public Welfare, and of the prosecutory officers continues.

The issue surrounding the secrecy of materials has been underscored at the press conference. A number of ASZ reports have not been published thus far because the data and facts they contained were classified as strictly by the affected ministries or the government, and perhaps by one or another parliamentary commission. These reports include one the ASZ has prepared concerning Ben-Sagomaron. In this relation Hágymajer had this much to say. In ASZ's judgment the political leadership has played a significant role in the actual progress that has been made in the construction and much of the information has been kept secret even from parliament. All this has also been supported by the members of the water resources lobby. Similarly, ASZ reports concerning the Old Foundry Works and two years ago, concerning the MNB's (Hungarian National Bank) materials at convertible currencies have been classified secrets.

ASZ will begin to examine the state budget in the next few days. Initially, the organization has decided that it did not believe that the budget had adequate foundations. Accordingly, for the time being, there is no official ASZ position as to whether there is a need for a supplemental budget. Vice Chairman László Nádor expressed what he termed as strictly his personal view that the government will be hard put to avoid having to submit a supplemental budget.

Postcommunist Governing Alternatives Noted

(Cz. Pismo, 8 pages, 12/10, 14 in Polish, 11 Mar 87)

(Article by Jan Wojciechowski, "What Is Next After 'Solidarity'")

[1987] At a meeting of the B. Komarowski Club in Warsaw, Professor Ryszard Mazowiecki asked, "What is next after 'Solidarity'?" and immediately added that the challenge is answer the question that posed a characterization of the postcommunist nature of politics.

The leader of Labor Solidarity surveys the continuing liberal economic policy in discussing the nation's economy. At the same time, he considers it "indifferent" to criticize the Balcerowicz Program. To be sure, the market mechanism has not restructured the Polish economy. Similar difficulties are being experienced by all the other postcommunist countries, even the former USSR, is no exception. Following the collapse of the communist system, the market economy turned out to be a dramatic goal, but the road thereto, tried and tested as it may be in some other countries, is not producing the desired results in Polish conditions.

There are no paradigms to be followed in emerging from communism and the market economy option is achieved unless the state provides a social safety net. The program sponsored by the liberals is running out of steam. Treating the economy inherited from communism as a "man" has lowered Poland to the level of Third World countries. There is no road of return from backwardness.

How did it happen that the first Solidarity government chose the market mechanism as a program for economic reform? Mazowiecki believes that Poland had the opportunity to choose a different road. The opposition was capable of working out a corresponding program and the elites were capable of leading the Solidarity movement. But that did not happen. The sudden disintegration of communism surprised everybody. Power had to be taken without being prepared for it.

In such a situation liberalism was viewed in a distorted manner. Since the "richness of bourgeois thinking" present in the ruling groups made themselves manifest. The promise adopted was to introduce irreversible changes in the economy within the shortest possible time and to smash up everything so that there would be nothing left to rebuild. Such was the approach and the plan of action. "Independent" journalists, service to the new rulers, realists proclaimed that there was no alternative to the Balcerowicz Program.

The ideas presented in the fall of 1989 by Balcerowicz were not yet a structured program. They were, as Mazowiecki put it, a reflection of the new alignment of political forces. Deputy Ryszard Bugaj contends that he has never supported anything of the kind termed the Balcerowicz Program and never voted in favor of the "outline" of that program. In the Senate he voted for

specific laws, with necessary and other reservations. The law on privatization was a bad one, but its bad aspects were not perceived by public opinion. The dilemma that he himself also lacked the courage of openly announcing a vote of fear of "giving the wrong signal." Even then he had been involved in constructing the reform program of the Mazowiecki administration. He realized that that program was "in excess of the permissible risk margin." He opposed the importance of the market mechanism advanced by reformers. Ryszard Mazowiecki, said that he and Bugaj reserve marginal people to let at the (K.P.) if some a Parliamentary body was concerned that the economy were stagnating. He had wanted against "dogmatic privatization" but was viewed as a "man blind" and in the meantime the government began to build the new reality in a double-blind manner.

Mazowiecki said, "Nowadays we should begin to mind the responsibilities which did not allow an open opposition to the economic program of the Mazowiecki government."

At the time, even the PZPR (Polish United Workers Party) deputies lacked the courage to be in the opposition sitting as they were on the "bench of despair." The liberal program was accepted by Solidarity. Everyone was bound by a sense of confidence in the Solidarity government, its success. There was widespread public acceptance (of that government) and the opposition was weak. Any criticism of that program was used to discredit Solidarity's worker commitment. Thus, at the time, an open attack on the program would be interpreted as wanting to take the first step to support the Mazowiecki government and begin with the force which supported it. Breaking with Solidarity was unacceptable. This explains why opposition had been difficult and is probably impossible.

The transition from the communist economy to a market one will take decades, it cannot be accomplished by means of state intervention.

Other speakers at the discussion drew attention to the need to align socially acceptable solutions. According to Prof. Janusz Zarnowski, the reaction to the postcommunist policy of the liberals should be a leftist response. The left is divided and backing, but it alone can create a solid base of social support for a reform reform program. Without the support of the masses the transition of the economy cannot be stopped. "Living in the evening of the living standards of working people." The society is becoming ready for yet another upheaval. (Dr. Andrzej Mazowiecki)

The experience of the last two years shows, said Prof. Janusz Zarnowski, that immediate adherence to an extremely liberal doctrine made the economy to disaster. Thus a third way, an intermediate way, should be chosen without losing a return to the transition of the communist economy. The ideas of Keynes and the Swedish and German solutions should be utilized. There is no better model for Poland than a mixed economy.

The economic program of the current government is a bone of contention among various political interest groups. Among the ruling elite an amateurish approach has become the norm. This should be opposed by a strong social democratic party. The situation of the left is not good. Labor Solidarity pretends that it is a social democratic party, platforms are being thought up by intellectuals, and leftist groupings do not strive for unity.

The diagnosis made by Prof. Leszek Golejka is also disturbing: a weak government, many corrupt institutions. The remedy for this should be a "participation and self-government program." Surmounting this situation is also complicated by the "conceptual chaos" (Dr. Euzenasa Noworota). Within the Sejm, there still continues "a kind of masquerade, with everyone desiring to be closer to power." Essentially, there is no reason for opposing liberalism to social democracy; all that is needed is to combine these two ingredients properly.

When introducing the radical economic reform, the Polish mentality, "the soul of the nation" was not taken into consideration (Dr. Pawel Bonik). It is the Polish way to reject thinking in competitive terms, treating people as elements of doing business. This view is being confirmed in the recent public opinion polls.

The psychological factor was also mentioned by Prof. Andrzej Gzegańczyk. Intellectuals should work out "a new program for educating society." Attitudes should be altered. Thus the point is that people should work better, demand less, and strive for harmony. On the other hand, platforms enabling the authorities to manipulate the society should be rejected.

Prof. Stanisław Giehlenier tried to justify the existing situation from a somewhat Germanistic standpoint. It is due, he said, to a combination of objective necessity and subjective errors. Above all, "a genuine diagnosis of the rise and fall of socialism has not been made." The sudden collapse of socialism surprised everyone. Solidarity was unprepared to take over the government. What happened was necessary, but the mistakes made are a dereliction. The program was constructed on the basis of the idea, believed in, that the 45 years of existence of the Polish People's Republic had ruined the country. Thus damage was done. Any other government, too, would have made mistakes. Were a modernization of the previous system of society possible, the leadership of the PZPR would have undertaken it: "They were not intellectual pygmies." We got stuck in a "historical trap." Communism left traces in public awareness—people have become accustomed to social entitlements, and this fact was not considered in the program for the economic reform.

Prof. Jan Dzierżewski believes that "the economy was deliberately strangled with the aid of money." Unless the continuing decline in the earnings of workers and receipts of the state budget is halted, there will be a social

rebellion. Only mass demonstrations can lead to implementation of the existing program. In this connection, chaos or even a dictatorship is not precludable.

Kazim Modzelewska too does not preclude the onset of instability which may result in a dictatorship. But he does not think that it would be a bloody dictatorship. Thus, other solutions to economic problems have to be explored. The idea of the "third way" can be institutionalized in practice provided that it is supported by a political force.

Modzelewska recapitulated the discussion with the laconic statement that the ruling circles of the United States and the strategists of the IMF lack the imagination to consider the aftermath of communism. "They do not even know how to regulate their own long-term interest rates."

Peasant Parties, Coalition Possibilities Viewed

628P0481 (19 Jan 1992) SP01FR/LAN in Polish 5.
[7-18 Mar 92 pp 16-19]

[Article by Stanisław Marek Kłosak: "Peasant Parties Refuse To Unite"]

[Text] It is rather difficult to understand what is preventing the peasant parties and politicians from reaching a common consensus even though they have the same constituency and the same goal—that of protecting the interests of the countryside and farmers.

There now exist three different clubs of peasant deputies in the parliament, representing five peasant parties and groupings. The largest is Waldemar Pawlak's Polish Peasant Party Caucus, with its 53 deputies and 10 senators. The Peasant Accord Caucus has 31 deputies and 11 senators representing Rural Solidarity (until recently led by Gabriel Janowski, who is now the minister of agriculture) and the Mikołajczyk PSL in the person of Chairman Henryk Bak. The Solidarity PSL [Polish Peasant Party] Caucus, which until recently was part of Peasant Accord, has 10 deputies and two senators as members. The sole representative of the Fatherland Heritage Party is Deputy Roman Bartoszek, who had campaigned for elections in an alliance with Peasant Accord.

The most radical explanation of the reasons why the society does not understand the initiatives of the peasant politicians has been provided by Roman Bartoszek, a year ago PSL chairman, now the leader of the Fatherland Heritage Party. "The point is that the society believes in the existence of a divided peasant movement. There does not exist any peasant movement. Such representatives of parties referring to the peasant movement sit in the parliament, but outside Warynia [the parliament building on Warynia Street] this movement does not exist. The time for appealing to particular strata or milieus of the society is irretrievably over, and posing the matter thus is harmful to the national interest."

unanimous decision, the first chairman of the Supreme Council of the PSL, the former ZSL (United Peasant Party) believes that expectations of major accomplishments among the peasant movements themselves are greatly exaggerated. "Even if a single peasant party were to arise, I would probably agree with facts. In politics this is a natural trend. The present expectations of the rise of a big peasant party are only complicating a situation among the existing peasant groupings." This viewpoint is, Wladyslaw Jankowski, who is considered as belonging to the party's right wing, as far as Wladyslaw Bartoszewski is concerned, he does not perceive any chances for creating a consensus. In the last, Jacek Soska, well-known for his recent signature at the Sejm, believes that he never is satisfied, because the peasant movement and the PSL are the same thing and outside them there are only the weapons of the traditions and assets of the peasant movement.

However, the leaders of other groupings do not view as easily the merger of the political groupings based on rural communities. Both Jacek Soska, the chairman of the Solidarity PSL, and Henryk Bala, the chairman of the Mazowiecki PSL, do not consider possible a rapprochement among the existing parties in the next few years. To be sure, Henryk Bala believes in the desirability of cooperation, but only within the framework of a coalition (rather than a merger). A cooperation that would keep in control the diversity and autonomy of the individual parties is unacceptable.

Nearly the Reverend Bogdan Wladyslaw, who has for years been strong in promoting the merging forces of Wlasni (peasant peasant union) and Mielniczyzna, still firmly believes in the possibility of the rise of a united peasant party. The Reverend Bogdan's mission seemed to have become easier in May 1990 when a group of PSL members headed by Roman Bartoszewski (the so-called Wlasni PSL) merged with the Mazowiecki PSL, which had until December of the previous year borne the name ZSL, thus forming a new party called the PSL.

The goal of the Reverend Bogdan seemed to draw near. Roman Bartoszewski, who at the time became the chairman of the new party, said that this was the last chance for founding a united peasant party. "I believed that a peasant party uniting peasants and proprietors of small establishments in towns and country, a party of small proprietors, is needed for the political stability of the country. I believed so even despite the fact that the ZSL was administered by the nomenklatura, because that party had for members several hundred thousand peasants who, contrary to the communists, championed private ownership. These people, the largest group of proprietors in this country, are the foundation for democratic building. This fact remains unchanged to this very day."

Bartoszewski tried to find partners for a coalition. "I held talks with the ZLN (Christian-National Union), the Labor Party, and even the Confederation for an Independent Poland (KPN)." He proclaimed the slogan of

discontinuation of the PSL's membership. "I believed that the historic value of the PSL was diminished by the apparatuses. I wanted to give these people a chance to either resign their posts or to remain in the PSL, and with a pure conscience live and work in a free Poland. But they did not want themselves of that chance. In the end, Chairman Bartoszewski learned an unpleasant complaint with Gabriel Janowski and Jacek Soska, but before the elections took place the consensus, Jankowski and Bartoszewski was thrown out of his office and public prosecution is in the air investigating this matter, and ultimately the Extraordinary PSL Congress deprived him of his chairmanship. The new chairman is Wladyslaw Pawlak, a rising star on the political scene."

The experiment ended in a fiasco, involved a new source of conflicts arose—the dispute about the party's name. Not all the activities of the PSL continued in 1990 as Wlasni attended the Lower Congress. Henryk Bala's group did not accept that decision and preserved the existing party in order to somehow distinguish itself from the more numerous "insurgents." It began to call itself the Mazowiecki PSL, and used in a court of law to deprive the other competing parties of the right to call themselves PSL. In the court of the first instance Bala's party lost the suit, but the court of appeals reversed the verdict and the dispute is still underway. Much indicates that this time Pawlak's party will lose the case, because the court of appeals pointed out that the decisive factor is which party was the first to employ the disputed name and not which one was the first to be registered. There is no doubt that in this respect the previous belongs to Bala's party.

There is no clear answer to the question of what are the actual differences among the peasant groupings. Whenever farmers' interests are concerned in the parliament, all the peasant groupings generally champion them. Despite some differences in specifics. For example, the PSL is resolute in demanding minimum regulated prices, whereas Peasant Union supports minimum regulated prices that would not assure profitability for everyone but would restrict 50 percent of the items from hawkings and Solidarity PSL and National Heritage reject minimum prices as a way of assisting agriculture and instead support other forms of subsidies, credits, preferential credits. All these parties, however, claim in common that they are reaching a consensus in the Sejm on matters concerning the countryside.

These ideological differences are more issues. Henryk Bala defines them as fundamental. The dispute about the name is a dispute about principles. The current PSL has not cut itself off from its ZSL past. There should be an explicit difference between the Third Republic and the Polish People's Republic.

Paradoxical as it may seem, the PSL Congress during the current term of office of the parliament has more members with a communist past than it had during the previous term. Previously, Henryk Bala commented, "It had in post-PZPR (Polish United Workers Party)

is totalitarian, but now the communists from the agricultural circles have joined them." Aleksander Luczak does not deny this. Instead, he offers the reminder that the PSL had entered the elections in an alliance with the agricultural circles and the ZMW (Rural Youth League). Each of these organizations was fully autonomous and the PSL had no influence on the nomination of the candidates. Now, however, although he does want to admit it plainly, signs are appearing that this alliance is beginning to be a serious handicap to the PSL.

Waldemar Pawlak thinks that the basic differences among the groupings arise from their different origins. "The PSL emerged from that segment of the peasant movement which tried to solve the problems of the society under varying circumstances, whereas Center Accord originated from the Solidarity tradition—from the struggle with communism. We believe that the elections have fully ended the division of groupings into better and worse ones into just and unjust ones." Aleksander Luczak stresses that his party also includes members of Solidarity origin.

Janek Siewe stresses the fact that he leads a distinctly rightist party, whereas Pawlak's party is distinctly leftist. "Let me illustrate this with the example of the cooperatives. We believe that farm cooperatives, i.e. rural banks, dairies, etc. should be autonomous. They should know their farmers and be governed by farmers, whereas the PSL believes that employers of these cooperatives may also use them as members. Obviously, this conflicts with the nature of the cooperatives and results in that the governing boards of cooperatives are dominated by employees, who attend to their own interests first. It seems to me, however, that the method of Waldemar Pawlak's plain spoken man as the chairmanship will provide the opportunity for reaching an understanding—of course after the PSL purges itself of its communist past.

This opinion is supported by Antoni Furtek of Peasant Accord who stressed that the economic platforms of Rural Solidarity and the PSL are similar. Bogdan Pilarski of Solidarity PSL declared unanimously, on the other hand, that the members of Siewe's PSL are communists with whom he shall never talk. "What is there for us to talk about with Mr. Bury, Mr. Makymczuk or Jagielinski?" he asked rhetorically. In contrast, Antoni Furtek views Roman Jagielinski, the chairman of the PSL's Political and Program Council, as one of the most solid politicians in the PSL.

It is their origins that account fairly clearly for the differences between Pawlak's PSL and the parties deriving from the Solidarity tradition. But it is much harder to grasp the differences among the post-Solidarity groupings. I believe that they can be grasped only if the personal element is considered. It is no secret that Gabriel Janowski, the current minister of agriculture and until recently the head of Rural Solidarity and Janek Siewe, the previous chairman of Rural Solidarity, hardly

are friends. Janowski, had only the courtesy in the chairmanship by accusing Siewe of wanting to restore Rural Solidarity in political disguise. The later misunderstanding was afterward the Solidarity PSL, while Janowski made no particular secret of his desire for the post of the minister of agriculture and a deputy prime minister. When, after the elections, Janek Siewe refused to support Antoni Bialas for the post of Solidarity speaker, Siewe's party left the coalition and Siewe became a minister without portfolio in the Janowski cabinet.

Roman Bartoszewicz is also distancing his party toward Siewe and Janowski, who he thinks are hostile to him. He said, "To be active in politics does not have to mean sharing after high government posts in the last few days." In their own post-election coalition talks, these groupings agree in claiming that Bartoszewicz posed no matter over since he had abandoned the coalition with Center Accord. "A politician who changes alliances so often cannot be trusted," said Roman Bartoszewicz's former associates from the PSL, who in their making time when speaking of their coalition partners. However, Luczak said that it was Roman Bartoszewicz's bad luck that he was not psychologically ready to be thrust at his duties. It is only Henry Bax, who would qualify enter into a coalition with the Fatherland Heritage Party and Roman Bartoszewicz and who, in a distant alliance as a political factor. But here, too, a problem exists for Fatherland Heritage Party and Bax. "I do not know Siewe's opinion that he has not heard of any such thing being active in the provinces. Antoni Furtek shares my opinion that he adds that he has not heard either of Siewe's party being active there. He said, 'Solidarity PSL is no kind of party that supports any government (it supported Mazowiecki and later Bielecki, and now it supports Morawski). It is certain to support the next prime minister (as well).

In March a new political grouping, the Peasant Accord Party, may appear on the scene. New leaders will be elected at the congress of Rural Solidarity. A number of the existing leaders will remove themselves for participating. "Solidarity PSL is a school for people who want to engage in political activity," said Antoni Furtek. It is not known yet whether after the congress together with a group of deputies from the new Peasant Accord will establish the Peasant Accord Party, or just Henry Bax's PSL. If the latter, the Mikulajczyk PSL will become a political force that cannot be ignored. The victory of Bax wins the suit for the party's name. Up to now, Antoni Furtek described the goal, partly, of the groupings: there is a need for political action. On the way has been claimed by Pawlak's PSL, while the right is, Janek and will be our base. Furtek emphasized that the political movement of which he speaks will not be confined to the countryside alone. It should use contemporary small businesses, craftsmen, and services.

Similar, and in many points identical, platforms are being proclaimed by Solidarity PSL and Fatherland Heritage.

At the same time, though, attempts continue to form a peasant-Christian bloc. Jozef Sini's old idea suits many nowadays—it suits both Prime Minister Cieslowski and Waldemar Pawlak. Immediately after Pawlak's visit to the primate, Jaroslaw Kaczmarski and Sini raised him too, and both men announced that they have formed a peasant-Christian bloc, trying to block the initiatives of the PSL. Politicians from that party admit that they are not as religiously Catholic as Sini's people who constantly sit in churches, but they stress that Christian values are being respected at the PSL, if only considering that most of its members are Catholics. Jacek Soska does not think it possible at all for the PSL to reach an understanding with the Democratic Union and the Liberal Democratic Congress, but in view of the similarities in constituencies he perceives possibilities for cooperation with the Christian-National Union and perhaps also with the KPN, "which has so far been keeping its cards close to the vest."

Waldemar Pawlak stated that the need to build a broad and stable political base is indispensable to the country. But Roman Jajdymowski stressed that this does not mean that his party intends to change its colors. "For the time being all these outcries about the peasant-Christian bloc are mere window dressing. The parties are vying to show which is the most Christian," he added. On the other hand, peasant activists of Solidarity origin find it funny that their colleagues from the PSL want to gain credibility by individually erecting at least one church each, so to speak.

Henryk Blas is not particularly gripped by the notion of a peasant-Christian bloc. In his opinion, the idea is warranted but the problem is that its purpose is hardly too clear. If this concerns forming a coalition, sure, but it has to be on equal rights and on the basis of clearly defined principles. A situation in which, e.g., Center Accord would dominate the other members of the coalition is unacceptable. Just as cautious are Peasant Accord and Fatherland Heritage, with the latter though resolutely supporting Cieslowski's concept of basing the government on an appeal to the entire nation.

For the time being, peasants, and those claiming to be peasants, are looking for their own place on the political scene, each on his own, and each dreaming of playing the principal role. No one wants to act as a member of a united peasant alliance.

...

[Box, p 17]

The Mikolajczyk PSL (Polish Peasant Party) was reactivated on 10 June 1988. In May 1990 some of its activist members resigned from it and, together with the regular PSL, founded the "Rebirth" Polish Peasant Party. In such a situation those who had remained added the prefix Mikolajczyk to their party so as to distinguish it from the other peasant parties. The Mikolajczyk PSL views itself as the representative of the independence tradition in the peasant movement, for it is based on an updated 1946

vintage platform. It is a national party and its chairman is Henryk Blas. Accurate information on its membership size is lacking.

[Box, p 18]

The Polish Peasant Party was formed on 5 May 1990 as a result of a merger between the Rebirth PSL (previously, until December 1989, the ZSL), and a faction of the PSL (the so-called Wilanow PSL). It harkens back to the tradition of the Polish peasant movement and strongly advocates peasant interests, although formally it is not a class party. Its chairman is Waldemar Pawlak, and it has a membership of about 200,000.

[Box, p 18]

The Solidarity PSL, registered on 5 April 1991, is a national party and declares that economic order is based on private ownership of production and the market economy, and it harkens back to the values reflecting Solidarity's resistance to totalitarianism. Its chairman is Jozef Sini. Last year it had a membership of about 15,000.

[Box, p 19]

The Polish Fatherland Heritage Party, which had its founding congress on 4 August 1991, registered two weeks afterward, a national party, champions private landholders and medium and small entrepreneurs and is resolutely opposed to any class-oriented approach to the economy. Its chairman is Roman Bartoszewicz. There are no accurate figures on its membership.

[Box, p 19]

Rural Solidarity, established on 8 March 1991, does not identify itself with any political party but supports the unity of the peasant movement. As a trade union, its attitude is eminently that of a claimant. It has a membership of 400,000.

Sejm Committee Examines Government Report

11.0805/92092 Warsaw ZYCIE WARSZAWY in Polish 4 May 92, p 1

[Report by pol. "What the Government Report Contains"]

[Text] A government report, or at least a version of this report placed before a Sejm committee this week, contains a summary of hearings with Defense Minister Parys, senior Defense Ministry officials, and television employees (these employees were questioned about the circumstances of televising Parys's speech). The Sejm committee also had an opportunity to read an appraisal contained in the report, on press articles about the Parys case and a so-called "assessment of the legal situation."

According to the report, Pares explains that he was compelled to deliver his speech because of press articles and statements by politicians, e.g. Bronisław Geremek, announcing the president's intention to curtail democracy. The defense minister is reported to have said that Wałęsa had demanded the appointment of a new chief of the General Staff. Pares describes the invitations for generals to join the Office of National Security (BBN) without the knowledge of the Defense Ministry as a "breach of official procedure."

He is also reported as saying that his contacts with the president were made difficult and that Maciejewski Wachowski, the Rev. Franciszek Alfons Cichala, or Andrzej Urzyskański were present at every single meeting with Wałęsa. As an example of his impeded access to officials, Pares quotes a meeting between Wałęsa and German Defense Minister Gerhard Schröder that never happened. Wachowski told Pares that Wałęsa would not meet Schröder because the meeting had been suggested to the president too late.

Defense Vice Minister Romuald Szeremietew and General Zdzisław Stelmach, chief of the General Staff, defend the policies of their boss. Szeremietew says that BBN chief Jerzy Milewski tried to convey various instructions to the Defense Ministry, and that the previous chief of military intelligence, Commander Czesław Wawrzyniak, presented Milewski with regular reports.

General Tadeusz Wilecki describes his 17 March conversation with Milewski, when the BBN chief offered him the post of chief of the General Staff. According to Wilecki, Wachowski also attended the final part of this conversation.

The "assessment of the legal situation" suggests that the president may only confer his powers as chief of the armed forces to a minister of state, whereas Milewski is merely a secretary of state with the courtesy title of minister. In addition, the chief of the General Staff can only be appointed by the president and only on the defense minister's recommendation.

The authors of the report remind the reader that the BBN is merely an advisory body to the National Defense Committee. Therefore, although the BBN's tasks are set by the president, they may not exceed the statutory scope of the National Defense Committee.

Observations From Decommunization Seminar

GZP/01404 Warsaw SP/OTKANIA in Polish No. 11
12-18 Mar 92 p. 1

[Article by Eufrosyna Narbutt: "The Absolutist Decommunization—Did It or Will It Happen?"]

[Text] Early in March the Stefan Batory Foundation organized, following a seminar on problems of Poland's economic future, its first seminar, an international one this time, dealing with the broadly interpreted problem of decommunization in the postcommunist countries.

Nearly 100 intellectuals attended, including some from Czechoslovakia and Hungary: Aleksander Kwasniewski and Jacek Kuron, Tadeusz Mazowiecki and Włodzimierz Cimoszowski, Jurek Hefke and the Rev. Jurek Teichner, beside each other Jan Krysinski, Bartek, Janusz Lewandowski, and Donald Tusk also were present. That was a kind of meeting among the Democrats Union, the Liberal-Democrats Congress and the Alliance of the Democrats Left. Jurek Kaczynski did not want to witness it, and so he did not come although invited. On the second day appeared a representative of Center Accord, Andrzej Urbanik, because Tadeusz Mazowiecki calmed things down by declaring that the Democrats Union does not intend to assume too close ties with the post PZPR [Polish United Workers Party].

Bronisław Geremek was a Poland still staggering under the weight of the corpse of communism. Jan Krysinski Bartek, termed communism a severe contagious disease which was caught by some of the new elites. Thus the diagnosis was unambiguous. We were infected by communism, but are we still? This is a good question. The most ardent opponents of decommunization were Włodzimierz Cimoszowski, Aleksander Kwasniewski, and Jacek Kuron. Włodzimierz Cimoszowski (leader of the postcommunist Leftist Alliance) even caused general panic among the audience when he claimed that he did not remember if in the past people used to be sentenced, at least not those he knew. To the somewhat older generation this statement recalled Władysław Gomułka who simply could not understand that people had problems having pardons.

A great soulful and very gentle man, Jacek Kuron, warned that decommunization may be anything that involves capture and destruction, produce bad consequences for the capture and destruction themselves as well, especially when the social order has collapsed at that popular message for communism is growing. The Rev. Jurek Teichner, as becomes a Christian, wondered whether mutual improvement and mutual asking for pardon, such as was in his time done by the Primate Stefan Wyszyński or his letter to German bishops, might not be worthwhile.

No conclusions were reached, because a substantial proportion of those present took the position that decommunization, to the extent to which it could take place, has already taken place, and thus the problem does not exist.

Military Potential of Eastern Neighbors Evaluated

GZP/01404 Warsaw NA/RYZS/1 (Zd) in Polish
No. 11, 14 Mar 92 pp. III-1

[Article by Marcin Andrzejko: "Armed Forces of Eastern Border"]

[Text] The avalanche like changes taking place on the territory of the former USSR is causing growing concern among politicians and military men. It is difficult to be surprised by this. For years, the Soviet empire was one of

the main factors shaping the face of the world, it had an influence on many events taking place on our planet. The emergence of new states, and the formation of the Commonwealth of Independent States (CIS) is the beginning of a completely new era in politics, and is changing the map of Europe and the world. The clear trend toward independence, and the swift pace of disintegration of republics in the European part of the former USSR, raises the question: How will these changes affect Poland's security?

Last year, I presented in NAJWYŻSZY CZAS (common sense) concerning the other workings of the Soviet army. Today, after a few months, the situation has changed enough that it is worthwhile to evaluate more closely the armaments and related tendencies among our eastern neighbors.

In the time from Stalin to Brezhnev, the military industrial complex was one of the most important under Brezhnev, the dominant factors affecting the policies of the Soviet empire. This was the result not only of the numerical size of the army, and its influence in the satellite countries, but of the specific layout of the political arena in the USSR, and the mentality of society. A kind of cult of the military, and the unconscious hegemonic ways of the Kremlin leaders strengthened the military establishment and assured a political and financial.

The Gorbachev period, and its new approach to certain aspects of political-military relations, brought about a lowering of military influence in domestic and foreign politics. For the army, which for years was cherished and raised on high, that time was a bitter sobering lesson.

Has it been possible, however, to change the mentality of the professional cadre (especially the leadership) or is there a limit? This is doubtful, taking into account the depth of many years of ideological thinking. Though it seems impossible, at the ranks of military units, professional soldiers and ordinary draftees believed that as patriots the "imperialist imperialists" were prepared to attack their Fatherland.

The disintegration of the USSR, and the political vacuum which accompanies it, causes the growth of sentiments for the era which has passed, and for the power which was then wielded. There is no way to dismiss these trends, in the face of the public exposure of super-conservative forces in many areas of the CIS.

Whether we want it or not, the development of the situation in the republics of the former USSR, hovering on Poland, must have a connection to an evaluation of the state of security in our country. As Parys, the first civilian minister of national defense, indicated the openly when he presented his views of asymmetrical threats. Despite the colossal economic crisis, the widespread organized corruption in economic life, and the breakdown of the old system of values, the tensions from the Bug River to Vladivostok will have real influence on the changes taking place in world politics. Sooner or

later, Russia, which dominates the CIS, will want to recover its influence, and have a decisive role in the direction of worldwide changes.

The fact that instead of one neighbor in the north and east, we have four, does not at all mean an increase in security for the state and nation. For historical experience shows that, in situations of internal crisis, a newly formed state, extremist groups—including nationalist groups—attempt to take power.

Given uncontrollable changes (the problem of breaking the nation might affect these changes over the next few months) and the lack of clear solutions, the results for control not only of society will increase between the army and those forces which caused the collapse of the Soviet empire (an example of this reality might be the battle over the Black Sea Fleet). Fears of new military efforts will befall in a situation of domestic tension. Fears to a sort of auction, in which each side tries to attract higher ranked military officers and leaders to their camp. Ukraine, which desires to form its own armed forces as early, and as quickly as possible, has the lead in this. This situation, considering the quantities of material and armaments stocked in Ukraine, has a direct link to the security of Poland's southeastern border. It is true that, during his visit to Poland, the defense minister of Ukraine declared a wish for peaceful contacts, and a readiness for military cooperation, it is worth remembering that there are presently 12 mechanized and armored divisions, and more than 300 fighter planes, stationed in Ukraine.

In all the republics, the leadership is aware of the consequences which an uncontrolled rise in armaments in the army, resulting from worsening material and living conditions, would bring. In Russia alone, from 1990 to 200,000 professional soldiers without their own apartments are stationed. The salaries and conditions offered to troops evacuated from the countries of Central Europe until now have been a kind of record with a divided face. One should remember that it was they which prompted B. Yeltsin's decision to raise officers' pay to a minimum of 1,000 rubles monthly.

It is also worthwhile to pay attention to an interesting phenomenon.

The CIS is Arming

Despite the enormous financial problems and the difficulties in cooperation as a result of the disintegration of the USSR, work on the construction of new weapons and on the production of weapons of mass destruction has not been slowed. A program of modernization of nuclear weapons is being carried out. Improvements in the SS-16 missile and a new three headed version of the SS-21 missile have been conducted since August of last year. A new launching complex for the SS-21 is being built in Belarus. Great emphasis is also being placed on developing and implementing in the armed forces new armor modules with increased accuracy and resistance to

radiofrequency interference. Let's remember that similar changes are taking place in greater scope, and in radioelectronic warfare and reconnaissance systems. The new military fighting vehicles surpass in contemporary in the armies of the former Warsaw Pact states in their parameters.

It is difficult to say in which direction the organization of the CTR armed forces, and that of the civilian defense organizations, will go. Attempts to form separate civil and military formations within army leadership structures should be expected. It should be noted immediately, however, that in the case of the CTR, the acceptance by military officials of a civilian manner is just at all certain, though it is not impossible. Unquestionably, however, the leaders of all republics will want to have direct influence on the armed and upon changes being made in the army.

The Army Over the Eastern Border

The changes in the European part of the former USSR have brought about the creation of one neighbor on three borders with four independent states: Russia—in the Kaliningrad District—Lithuania, Belarus, and Ukraine. In all these states there are significant units of the former Soviet army, formally subordinated to Central Headquarters. The decisions of national forces are being formed parallel to this. Because this is not an exception, one can expect sharp disagreements and disputes over the division of military property and especially the debts like the escape of a group of pilots from Ukraine to Russia in 61-74 airplanes. Not less important factor that the battle over the officer corps of the republics' armed forces, and the competition over who can provide for them the best conditions, is continuing.

Reportedly from Poland's northern border, the situation looks as follows:

Kaliningrad District

As the part of Russia situated farther to the west, it is a territory which is unusually important from the economic and military point of view. Due to its geographic position and its parts which do not border over. The communications projected around Vietnam will treat the district as a sort of window on the world. Having to do, for example, German capital is also increasingly concerned in this regard. This is confirmed by the growing number of applications by citizens of Russia of German descent to transfer to the country.

From the military point of view, the Kaliningrad district always had great significance. Presently ground troops stationed in its boundaries are estimated as well over 100,000 armed soldiers. In addition, besides a large number of modern ships and submarines armed with conventional and nuclear arms, there is stationed a brigade of naval infantry. In Kaliningrad there are, among others, the Baltic Fleet Headquarters and that of the Far-east Army, as well as armored and artillery units. The 1st Mechanized Division, and some of an

armored division and a paratrooper brigade, are stationed in direct proximity to the Polish border. According to Russian military press, the Northernmost Army Group under the command of General Mironov is to be organized there. Not counting the military equipment and troops which come to Kaliningrad from units from Lithuania, there are there three rifle tanks, close to 1,000 aircraft, fighting vehicles, and 161 planes across our northern border. In addition, the Baltic Fleet has supplied 100 boats, ships and a modern group and headquarters on the 700 capacity of nuclear armors. The northern formations do not, of course, show anything. It, however, we compare them to the structure of the Polish army, the picture assumes a completely different dimension.

Lithuania

With the creation of an independent state, the Lithuanian government has undertaken intensive action towards the creation of their own armed forces and towards the reorganization of Soviet army divisions stationed there. The construction of new barracks and the provision of apartments for the officers and their families are underway. For the complete withdrawal of these divisions troops.

Considering its resources, Lithuania will not be able to form large armed forces. From information in the press and the statements of participants it can be deduced that there will be about 15,000 soldiers for the first phase, with prospects for expansion to around 20,000. The new army is to be made up of ground, air and naval troops, and coast guard units.

It is clear from the actions taken so far that the Lithuanian government will not undertake such as, for example, Lithuanian actions aiming toward gaining control of the Russian officer corps. They do want to take over part of the specialized military equipment. Observing the attitude of Lithuanian diplomats, one can also assume that the republic's government wants to secure the participation of some NATO countries regarding origin of military equipment.

Belarus

The creation of the Belorussian Republic does not bring with it such great economic and political as in the case of Lithuania. The slower pace of changes is the result of moving officers, closer ties with Russia, and lower national consciousness. As part of the USSR, the Belorussian Military Region had commanded the Fifth and Seventh Armored Armies, two air armies, and the 20th army. Large tactical formations were stationed in direct proximity to the Polish border—in for example, Grodno, Brest, and Vitebsk.

Observation of events in Belarus indicates that the republic's military is growing significantly in the military aspect. This is shown by the direct involvement in current over the routes of transport of nuclear arms located in the republic's territory. The possibility of complete independence longer their own command of these weapons is

also being considered. Belarus is committed to forming its own armed forces from the Soviet army units stationed on its territory. Taking the population potential into consideration, that armed forces might be defined as an army on the order of 70,000-100,000 soldiers. Presently, there are 17 Soviet armored divisions, three mechanized divisions, paratroopers and air units, close to 1,500 tanks, 1,000 military fighting vehicles, 1,000 cannons of various caliber, and more than 400 planes, of which 170 are nuclear weapon carriers. 60 ballistic rocket launchers are also stationed in the republic.

Ukraine

The newly created state expresses consistent commitment to form its own armed forces. The legal solutions which have been adopted (including the law on military service) laid the foundations for these activities. Wide-ranging organizational activities are planned under the newly-created State Committee for Defense and Security. The concepts for the Ukrainian National Army thus adopted assume defense self-sufficiency as a foundation. The armed forces are to be made up of ground troops, air force, and navy. One should also consider the fact that, in the transition period, Ukraine is not liquidating nuclear weapons, and will treat the possession of these weapons as an important argument for building its strength. This also has a psychological dimension as regards Ukrainian society. In a situation of great economic crisis, the argument that "we are a nuclear power" will be made use of as an argument, and in building the national identity.

If the government's plans were to be realized, then by 1995, in addition to a National Guard of 50,000 (armed with, among other things, airplanes, helicopters, tanks, and armored transports), Ukraine would form an army of 200-250,000 (there is also talk of an armed forces on the order of half a million), which would take over most of the battle equipment from Soviet army units in the Sub Carpathian, Kiev, and Odessa Military Regions. The wish to take over part of the Black Sea Fleet also comes into play. It is worth calling attention to the fact that the equipment presently accumulated within the territory of this republic surpasses in quantity the inventory of the Polish army several times, and diverges from the standards set by the CFE-1 (Conventional Armed Forces in Europe) pact. At this point, the question arises as to whether the governments of the new republics will want to observe the documents established by agreements on generally accepted military potential which can be accumulated in Europe. For the observation of pact is a fundamental condition of stability and security in this part of the continent.

In the military regions located in Ukraine, there have been accumulated 6,475 tanks, 6,800 military fighting vehicles and armored transports, 170 tactical nuclear weapons launchers, and more than 1,200 airplanes.

The nuclear potential of Ukraine consists of close to 2,000 warheads for tactical weapons. 260 nuclear bombs, more than 100 permanent facilities, missile launchers follow.

The political declarations of the new eastern neighbor accept the recognition of present borders and renunciation of territorial claims as the foundation of mutual relations.

The historical conditions of Polish-Ukrainian relations should be remembered, however. During the period of formation of the Ukrainian state, extreme nationalist forces will also make themselves heard. Conclusions drawn from the development of the situation in the southern republics of the USSR make this threat a probable one.

How, then, to see the situation beyond the eastern border?

That which we observe within the borders of the former USSR is only the beginning of the building of a new state organism. In this process various forces will make themselves heard, driven to take the mantle of the former empire will also be evident. One can presume that Boris Yeltsin will become a figure of greater prominence, and the Russian Republic will strive to assert itself the dominant one. That assumption will coincide with Ukraine's ambitions. Nor can one leave out the religious factor in this process.

The south is Muslim, the west Christian (with clear differences between Orthodox and Catholicism). This might create the basis for future conflicts, especially with the southern Islamic world, where two of a special kind play a role.

The nearly complete defencelessness of Poland's eastern wall engages one to look differently on our security.

The asymmetry of threat indicates an urgent need to rethink the delineation of the army (in our country) territories, and to rebuild the military infrastructure, ruined over the last few years. The social dimension of this problem leads its reflection in the speeches by representatives of church and administrative authorities from southern voivodeships.

For can it be possible that the only fighting unit of our ground troops was the First Mechanized Division in Wroclaw (out of the Voivode)?

(Doc. 9 III)

What Kind of Army?

The appearance of a civilian atmosphere of defense, the personnel changes in this structure, the public financial situation, and also the international situation, have led to a rise in interest in the problems of the army and defense on the part of many social groups. This interest can be seen on the one hand in the consistently high ratings of the army in public surveys, and also in the

voices which deny the need to maintain armed forces at all, or speaking of the need for reductions in the army; and finally in statements pointing to the need to restrain and reverse the process of the demilitarization of Poland.

This discussion can not lack the statements of those persons most interested and most informed as to the real state of the army and of its needs which result from the tasks which fall—or might fall—on the armed forces in the new political and international situation. Making the pages of our paper available, we wish to invite those who live the everyday life of the army—the representatives of the rank and file cadres, and also all those for whom matters of Poland's defense are close to the heart, but who, for various reasons, did not have the chance to publicly present their thoughts—to speak out.

Military Cooperation With Ukraine Examined

*SZEPKOWIE Wamsw POLSKA ZBRONIA in Poland
21 Apr 92 p. 1*

[Article by Janusz Rajch: "Polish-Ukrainian Military Cooperation"]

[Text] On returning from a meeting of defense ministers in Brussels, Colonel General Konstantin Monson, the Ukrainian minister of national defense, made a brief stop-over in Warsaw. The Ukrainian visitor met with Jan Parys, the Polish minister of national defense.

Following their meeting, Minister Monson told the POLSKA ZBRONIA reporter: "We want to maintain the best good neighborly contacts with Poland. We desire cooperation and a peaceful dialogue."

Minister Jan Parys stated that a Polish-Ukrainian agreement for military cooperation is being drafted. It is expected that military attaches will be posted to Kiev and Warsaw. As part of that military cooperation, Poland proposed the training of field officers and privates in our higher educational institutions.

Cooperation in equipment repair and spare parts supply is expected. In addition, the recommendations ensuing from last January's meeting of the two ministers became elaborated in greater detail.

Military Investments: People Over Machinery

*SZEPKOWIE Wamsw GAZETA WYBORCZA in Poland
9 Apr 92 pp. 12-13*

[Interview with General Lesław Dudzik, former lecturer at Academy of General Staff, by Barnosz Dobrzynski; place and date not given: "Needed and Undone"]

[Text] [Dobrzynski] Can it be said that we have a strong military?

[Dudzik] The strength of an army is mostly one element: a nation's defense potential. A nation's military strength consists not only in the number of its tanks and aircraft

but also in the formative of its institutions, the people's attitude toward defense matters, the degree of training and morale of the troops, and lastly the number and equipment of the troops.

[Dobrzynski] Yes, precisely: what equipment is the Polish army provided with?

[Dudzik] Compared with our neighbors, our equipment is not too great. The West German Bundeswehr is excellently equipped and trained. The wealth of that army is a derivative of the wealth of a nation which can afford such sizable military expenditures.

[Dobrzynski] What about our other neighbors?

[Dudzik] Czechoslovakia has always had a rich arms industry tradition. Under the Warsaw Pact, it was better armed than we. The USSR used to sell it modern equipment, because it was more "trustworthy," especially after 1968, and its economy could afford bigger purchases. Ukraine and Belarus inherited their arms from the Soviet army, arms that will remain fully efficient and modern until the end of this century, even without additional investments. In addition, they have large numbers of trained troops. For the time being their armed forces are still being organized, but in a few years their armies, especially the Ukrainian, will be strong. As for Lithuania, in view of its small population, it cannot be a big military power.

[Dobrzynski] What is needed to build a modern and strong army?

[Dudzik] Napoleon said that waging war requires, first, money; second, money; and third, money. Of course, that is an exaggeration, although there is no substitute for modern armaments, which are costly. It is worth noting that before the budget of the Ministry of Military Affairs accounted for one-third of government expenditures. Now, Poland has no money, and so we should at least change the public's attitude toward the military. Our army officers are experiencing feelings similar to those once experienced by Warsaw generals in the Red Army. They are needed but unwanted.

[Dobrzynski] How long would it take to train our military with Western equipment?

[Dudzik] That depends on money, of course. In theory, it would take several years, but for the time being no such plans exist. At least this is indicated by the attempts to purchase Soviet-built arms from the former GDR army. In our situation, investing in people matters more than investing in arms. Please bear in mind that this year's graduates of officer schools will serve in the army for the first quarter of the 21st century. We could train lower military personnel, but we may not train second-category personnel. Money for army purchases should be found.

[Dobrzynski] Were the Polish armed forces in 1939 compared with those of their neighbors, larger or smaller than they are at present?

[Chodak] I think that the canal of forces is the same as it had been in the first days of World War II. Were history to repeat itself, that is, were our two neighbors to wage aggression against us, we would have no chance whatsoever. Actually, the Bundowice alone would be enough.

...

Gen. Leszek Chodak is working on a history of the Polish military doctrine for the years 1918-49.

Lack of Direction in Defense Industry Conversion

WJPN1674 Warsaw RZECZPOSPOLITA (ECONOMY AND LAB. supplements to Polish JM Mar 6) p 71

[Article by Antoni Kowalik "Shooting in the Dark. The Defense Industry"]

[Text] The losses of the 28 enterprises producing for the needs of defense still remains unknown. Their debts to the banks, to suppliers, and to the state budget now exceed 9 trillion zlotys [Z], of which roughly more than 7 billion is in accounts payable for the first two months of this year. For the last few months these plants have had no cash for operating expenditures or even for paying wages to their employees. In such a situation, their attempts to overcome the crisis on their own may have the same effect as shooting in the dark. The directions of the restructuring of discrete subsections of the defense industry have not yet been defined, and there is no money either for implementing any adjustment program.

The Ministry's Proposals

According to the Ministry of Industry and Trade, the point of departure for drafting plans to restructure the defense industry is to determine the arms manufacturing capacity that it should retain for the needs of national security as adapted to the new conditions and structure of the armed forces.

The next problem is how to organize that capacity, and lastly, how to restructure what is left in order to adapt it to production for the market.

The ministry presented a three-stage program for restructuring that industry. This concerns performing a rough estimation of the industry's subsection and enterprises—of what has already been accomplished. On this basis, business plans would be drafted for each plant. The last stage would be, of course, the practical application of the adopted assumptions.

The defense industry consists altogether of 12 specialized subsections comprising enterprises manufacturing particular kinds of armaments. The ministry's program proposes dividing them into four groups. (The first group) would include, e.g., ammunition plants, classical weapons plants, and radar and electronics plants. It is

assumed that the enterprises belonging to these subsections, especially those which manufacture finished products, should be converted to one-person (private) companies and keep that status without being subsequently privatized.

The second group consists of the aviation, armor, and naval subsections. The enterprises of this group, which also produce finished products, are also to be converted to companies, but, unlike in the first group, they need not be wholly treasury owned, as long as the majority share in them is held by the treasury.

The remaining groups of enterprises should, on the other hand, according to the above program, operate in accordance with the requirements of the market economy and be converted (privatized) on general principles.

Government Contracts to the Aid

The ministry's program envisages that these conversions be completed by the end of 1992. During this period business plans are to be drafted and implemented. This raises the question of whether by then these enterprises will still exist, and whether the funds can be found for implementing the plans of each plant. As many of the enterprises the financial situation is so bad that, unless government loan guarantees are provided, they will go under.

These enterprises, according to the Director of the Military Department at the Ministry of Industry and Trade, Jerzy Kade, will not survive the period needed to accomplish their restructuring, unless they are enabled to manufacture at least a minimum quantity of armaments and equipment. The problem is that so far, the Ministry of National Defense has not placed any orders that would enable these plants to survive through 1992, and everything indicates that no such orders will be placed. That is because the defense ministry has yet to settle the main arrears in payment for the equipment already supplied to the military as well as for the obligations ensuing from the orders placed last year whose fulfillment was suspended owing to problems in that ministry's budget. Yet the work to produce the arms and equipment ordered is already in many cases greatly advanced. That also is because the enterprises with which these orders were placed have already purchased the needed producer goods in this country and abroad. As a result they accumulated a huge inventory of production in progress, which adds to their operating costs.

Unrecoverable Expenses

These expenses were one reason for the financial crisis of the defense industry. Another reason was of the same nature. Last year too the Ministry of National Defense failed to pay for the equipment it ordered. Contracts, large ones as that, with Iraq and Yugoslavia were broken, again not through the fault of the enterprises. The same thing happened to trade with the former USSR. Altogether, the arrears in accounts receivable by defense industry enterprises reach ZL 6 trillion.

All this has forced the enterprises to borrow at a high cost and to be unable to repay the loans anytime. For this reason, the aviation, armor, and naval industries are in the worst situation. Anyway, these subsectors were the ones most adapted to the needs of the former USSR. In the aviation industry, for example, as much as 85 percent of output used to be shipped to the former USSR. On the other hand, the plants in which the least share of productive capacity is set aside for military needs have fared the best. They find it relatively most easy to convert to civilian production and adapt themselves to market requirements. The plants chiefly geared to supply the military, on the other hand, cannot by now be helped much by the moratorium on, or postponement of, the payment of their obligations to the central budget.

At present the crucial issue is funds for the restructuring. But even earlier decisions have to be taken on the dimensions of ownership transformations, the size of the productive capacities that should be retained for defense needs, and the minimum quantities of shipments to the military, without which these enterprises will collapse. Thus this concerns both strategy and a program. Every additional month of living in a vacuum is aggravating the issues.

Bad Debt Management, Recapitalization Profiled

WIEPIUSZ Rucinski, RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish, 21-22 Mar 92, p. 11

[Article by Pawel Jablonski: "What the Enterprises, or the Banks?"]

[Text] In the next few weeks, the government proposal for a law on financial restructuring of banks and enterprises should be ready. The law is to, among other things, create the legal bases for strengthening state banks, capital reserves recapitalizations, which will allow them to undertake decisive actions toward enterprises whose financial situation makes payment of loans impossible.

Preparing to implement the program to revive the economy, the Ministry of Finance initiated steps in the direction of restructuring of banks belonging to the state. It was decided that these banks should separate all their worst loans from their balances. Unsettling liabilities from borrowers who were classified as "defective" or "to-wait" during the audit in June 1991 should be entered in these newly created special balances of bad assets debts. New organizational structures specially created in the banks for this purpose would deal with the management of these debts. On Friday at the Ministry of Finance, there was a meeting of representatives of eight commercial banks with divisions (or departments) dealing with so-called bad debts. At this meeting, the ministry was represented by Vice Minister Stefan Krawiec and Sławomir Sikora, director of the Banking and Financial Institutions System Department.

This is the second meeting devoted to the management of bad debts. During the first, in January, the organization of bank divisions which would deal with this was

discussed. At Friday's meeting, the banks presented concrete organizational solutions. This matter was viewed differently in different banks. New cells with the status of divisions or departments were created. In most cases, the persons directing these bodies control the bank's board of directors. In one of the banks, only those bad debts which it was regarded could be converted into shares in the indebted firms were separated into the new departments. The rest of the worst debts remained in the credit departments. The ministry proposed that the best employees, and people who knew the problems of particular branches of industry, should join the new divisions.

The fact that the bankers were very cautious in their evaluation of the things which had debts pose for banks was probably due to the presence of journalists at the meeting. One of the speakers even stated that it is worth considering whether they should be called "bad" or just "difficult." One representative of the Bank of Gdansk gave concrete numbers. In that bank, loans made in 76 units for a total sum of 2.2 billion zlotys (Z), were regarded as bad. Of this group, 160 firms received loans of over Z1 billion. The indebtedness of these large borrowers comes to Z1.6 billion of the total bad debt sum of Z2.2 billion. The bank employs 60 people in the division dealing with these loans; these employees are already conducting detailed examination of 22 firms.

In the biggest commercial bank in Krakow (several groups of the worst loans were separated. To the first of these were counted steel mills, arms, and aircraft factories and the Compact Car Plant. Their debts make up about half of the credits lost by the bank. The size of these enterprises does not allow the bank to resolve their problems by itself. Enterprises subordinate to regional organs are counted in the second group. Among this group, the bank singled out some enterprises as fit for liquidation or restructuring. The last group of enterprises is made up of those with which the bank intends to undertake individual cooperation.

The representative of the Commercial Executive Bank in Lodz stated that in her bank, credits lost to light industries are a problem. The bank can manage with factories in other industries. Therefore, some sort of general idea for reviving that sector of industry is needed.

Krzyszto Szadrowski, vice president of the Warsaw Bank, said that her bank, thanks to a conservative credit lending policy followed for three years, does not really have a bad debt problem. To satisfy its owners, however, a new cell has been created which, the bank intends, will become in the future the part of an investment bank. Maria Wronowska, vice president of the Wroclawskie Credit Bank, also stated that the risk connected with credits has always been studied in her bank, and that most loans regarded as bad had not kept of payment.

Among other issues discussed during the meeting, the question of the risk reserves which have been created was often returned to. Presently, there is a great disparity

between the evaluation of these reserves by the banks which created them and treasury inspection organs. In the case of the Bank of Gdańsk, the exchequer estimates that the reserves are seven times too large. This is rather important, because a large part of the supplementary financing of the banks is precisely to assist in the creation of appropriately large reserves for bad debts.

Minister Siergiej Krawiec stated that discussions with the World Bank on making loans to us for the supplementary financing of banks were begun this spring. The banks might receive these loans (one of the participants mentioned the sum of \$300 million) this fall.

It is proposed that the banks, after separating the bad debts, deal with the enterprises which received them. In the first phase, the enterprise would, in a firmly set time period (four months, for example), develop a plan of restructuring. This would be the basis for the working out of agreements with creditors. It is proposed that the same period for this activity also be firmly set (two months, for example). The State Treasury would appear in concert with other creditors at these negotiations. The factories which would be impossible to revive would have to go bankrupt. However other action would be possible in regards to certain enterprises which are particularly important for the economy.

Advances in Triangle's Economic Association

WSPółpraca Wzajemna RTN/ ZairANI/ ZNE w Polce Nr 41, 4 lipca 1991

[Article by Maria Charnowska "Let Us Protect Our National Interests While Looking Forward to a European Future" under the rubric "The Triangle Zone"]

[Excerpt] The countries of Central Europe—Poland, Czechoslovakia, and Hungary—found themselves in a somewhat special situation. In mid-December 1991 they each signed an association agreement with the EC which as of the beginning of March became operative in its part concerning trade (with the European Community), by liberalizing it from the outset in an essential manner and promising further liberalization in accordance with a specified timetable. Yet, among themselves these countries continue to trade in the old manner and retain the entire traditional system of tariff barriers.

This situation has now become yet another barrier to the integration of these countries with the European communities, so vital to the process of the economic changes envisioned in this region. Of course, this is something that these three countries are not ignoring. The establishment of a free-trade zone is currently the subject of their fairly advanced negotiations. (page omitted)

Experts Discuss Details

In December 1991 consultation talks on a working basis commenced at the expert level, and in practice they will continue to this day. By "expert level" is meant chiefly department directors at the interested ministries of the

three countries. First of all, they had to exchange information about existing laws governing foreign competition and about planned institutional changes. In all three countries changes are proceeding in the same direction but follow somewhat different paths, and thus there exist some discrepancies in the demands that are the subject of the talks.

Example: In Czechoslovakia the system for tariff protection of the market is more extensive than in our country but, on the other hand, the level of tariff protection is lower. In Poland, in its turn, tariff barriers are virtually absent. Some differences also exist between taxation systems, price-formation, etc., of these countries. Small teams of experts have been discussing specific problems in order to draft jointly the articles of a future agreement.

This getting to know each other resulted in late January, in Budapest, in a triangular meeting that could be termed primary because it served to analyze three different drafts of the agreement on forming a joint free-trade zone. The stage of consultations was superseded by the stage of negotiating a joint draft text of an integrated bilateral agreement.

The work on "tuning" that agreement is being accompanied by further consultations among experts on discrete fields. For example, the issues being discussed in detail include regulations governing merchandise origin, notification of technical barriers, protection of intellectual property, problems with the balance of payments, the extent of the goods included in trade—separately for durable manufactured goods and for agricultural materials and foodstuffs, etc.

As planned, each partner has presented a list of, among other things, desiderata concerning the agricultural raw materials and foodstuffs (a field in which negotiations are particularly difficult) which, from the standpoint of its interests, the partner would like to sell on the markets of the other two partners.

These lists are being the subject of bilateral and bilateral negotiations.

How About the European Communities?

The negotiating techniques used are patterned on the tried and tested techniques of our talks with the European communities and the EFTA (European Free Trade Association) countries. Besides, the Polish side generally represents the view that it is precisely the agreements with discrete EFTA countries that should serve as the model for concluding an agreement for a free-trade zone within the Triangle.

After all, our objective is establishing the Triangle in European integration, common coping with the requirements of the EC. Thus, in our regional agreements we

should not deviate from the rules adopted for the agreements for association with the EC and being drafted together with the EFTA, so as not to form an isolated economic region.

The subsequent tripartite meeting, held in the first half of March in Krakow, was accompanied by talks within two working groups—agricultural and industrial, which are defining the scope of the merchandise to be covered by the agreement. The timetable for abolishing tariff and nondiscriminatory barriers should be clearly defined, and a list of the merchandise to be exempted from tariff duties at the moment the agreement takes effect should be prepared. Further, the timetable for the gradual reduction of duties on other merchandise should be drafted, and the groups of merchandise not subject to liberalization should be specified, because the government is planning to take the requisite measures, that is, as in the agreement with the EC.

In searching for a relevant model solution, at first it was pondered whether such documents should not be postponed until each of the three countries defines precisely its own, broadly understood, industrial policy. Soon, however, the experts reasoned that, since the absence of such clearly defined policies in our three countries did not prevent concluding and partially already implementing the association agreement with the EC, there was no reason why it should impede the bilateral agreement either.

Continued

By now an accord has been reached on the language of certain articles of the future agreement. For example, as regards the protection of intellectual property, the text of the pertinent article to be included in the agreement was agreed upon during the meeting in Budapest at the end of February. Soon new financial, banking, and foreign trade experts will meet and perhaps agree upon the text of the corresponding article in the future agreement. Furthermore, another "plenary" meeting is scheduled for the beginning of April.

Under the timetable adopted by the three currently officiating ministers responsible for foreign cooperation, the text of the agreement should be agreed upon by the end of April so that its acceptance could occur in May and its signing in June, and its implementation would begin in July 1992. The draft agreement provides for attaching to the "transitional law" appendices of a bilateral nature referring to, e.g., mutual Polish-Hungarian or Hungarian-Czechoslovak exchange of commitments. This should be a most effective approach, technically too as regards implementation.

Leopoldo Z. Kwasnicki of the Economics Department of the Ministry of Foreign Economic Cooperation, a participant in the Triangle talks, answered as follows when asked about the climate of these talks, in the context of

traditional long-term cooperation among the three countries within the framework of the former socialist bloc, which, as known, evoked emotional reactions as much as it evoked hostility.

"We are working without sentiment, and without hostility as well. That is, ours are businesslike talks, because each party is concerned with protecting its own interests while at the same time looking forward to a European future. A Central European free-trade zone is a necessity to each of the partners. On the one hand, it promotes precisely national interests and on the other it is to assure a disciplining competition for producers, just as in the agreements with the EC. The year 2002 is to bring the abolition of barriers.

Projection for 1992 Crop Production Presented

WIEPOSA Warsaw RZECZPOSPOLITA (ECONOMY AND LAB supplement, in Polish, 26 Mar 92, p. 8)

[Article by Edmund Siciak: "Prognosis for Crop Production: Less Grain, More Root Crops"]

[Text] It is estimated that 4,450,000 hectares of winter wheat were sown last fall—that is, more or less as much as a year ago. The sown area of rapeseed, at 440,000-450,000 hectares, is about 5 percent less. About 1.8 million hectares of winter wheat were sown, 100,000 hectares more than last year, while 2.7 million hectares of rye were sown, about 200,000 hectares less than were harvested in 1991. The sown area of wheat-rye decreased to 700,000 hectares (a decline of 70,000 hectares). Winter crop sowing was delayed, and the appearance of shoots was also late due to a drought. Wintering conditions were, however, generally not bad, and did not pose a threat either for grain or for rapeseed.

If the area of spring sowing of grains stays at last year's level, the overall area of grains will be 80,000 hectares less than a year ago. The cultivation area of potatoes will grow, however, probably to 100,000-110,000 hectares. Such hopes are prompted both by the fall prices of potatoes and by the great demand for them, especially in the eastern border communities. Here also the above mentioned increase in planting of this crop is expected.

The cultivated area of sugar beets will not undergo greater change. After the agreement with the Sugar Industry Council that this year's sugar production will not surpass 1,750,000 tonnes, one can assume that the sown area of sugar beets will come to 170,000-180,000 hectares. One can expect that, as in past years, the area of corn for seed and for fodder will continue to rise, of the former, to 60,000 hectares (an increase of 20,000 hectares), and of the latter, to around 100,000 hectares. An increase in cultivated area of leguminous fodder crops can also be expected.

The size of the harvest depends, however, not only on the cultivated area, but on the yield, the amount of which is greatly affected by the consumption of production means. This has been decreasing at an unsettling rate for two years. This is true for all production measures.

including agricultural machines, meaning the sowing material. This year, 130,000 tonnes of seed for spring grains were prepared for the spring sowing, but last year, for example, only 80,000 tonnes of it could be sold. A great demand for potato seedlings should not be expected. Last year, farmers bought five times less of them than in past years.

The next factor which will affect the decline of yields and harvests this year is lesser consumption of mineral fertilizers and crop protection agents. Last year a decline in fertilizing occurred in all agricultural sectors; the average consumption of mineral fertilizers for the 1991 harvest was 45 kilograms, or 100 kilograms less than in the 1980's. The consumption of mineral fertilizers for the 1992 harvest will be even less, coming to about 30 kilograms. With the decline in consumption of mineral fertilizers comes a fall in the use of lime fertilizers. Despite the maintenance of subsidies for their extraction and transport, the consumption of lime fertilizers dropped last year to 139 kilograms per hectare, which was two times lower than minimum requirements.

Deliveries of crop protection agents came to 1,300 tonnes last year, no or than 69 percent less than in 1989. In relation to hectares in agricultural use, the consumption of crop protection agents came to about 0.4 kilograms active matter. The greatest drop in use of chemical agents took place in agricultural cultivation; it was less in fruit growing. The result of this is a significant rise in the

contamination of fields with weeds, which affects the results of agricultural production in future years.

A clear breakdown of sales also occurred in the agricultural equipment market. The effect of technology on the amount of yields is perhaps harder to put down, but it is difficult to deny.

The last factor which has an effect on the amount of yields is the course of atmospheric conditions during the vegetation and harvest periods. Last year the weather was good for grains, and less so for root vegetables. Knowing that atmospheric conditions will be better for the latter this year, while they will not worsen for grains, it is possible to predict that this year's grain yield will come to 29.5 quintals a hectare, and the harvest will be 23.2 million tonnes. This would then be about 1.1 million tonnes less than last year's harvest. This is the prognosis of yields and harvest which the Department of Agricultural Production in the Ministry of Agriculture and Food Policy. In the opinion of some specialists these predictions are too optimistic, for they do not take into account the overconsumption of the harvest last year; they also do not take into consideration the effects of the total deterioration of the water farms where yields have been significantly higher than those in individual farms for over a dozen years.

The harvest of potatoes, rapeseed, and sugar beets, the department expects, will be higher this year than last.

Senator Criticizes 'Wait and See' Foreign Policy

(JPRS 92-001, Bucharest, 12/1 in Romanian, 17 Apr 92)

(Interview with Senator Dumitru Ciobanu, vice chairman of the Parliamentary Foreign Policy Commission, in Bucharest, Ciobanu, place and date not given. "We Should Be More Daring")

[Text] [Ciobanu] Senator, please begin by referring to the upcoming international parliamentary events which will also be attended by delegations of the Romanian Parliament.

[Ciobanu] At this time we are preparing to attend the conference that will be held in Brussels in May on "Parliament and European Construction." Its purpose is to seek the guidelines for Europe's future architecture in keeping with the interactions among the European parliamentary bodies. There is much talk of a European federation or confederation; there are proposals to establish a parliament for our continent, made up of two houses that should replace, as much as possible, all the other international parliamentary bodies currently in existence. There are plans for a European union, organized along the lines of the structure of the European Council, with representatives from the European Parliament, and a house of deputies based on the latter's structure but with mostly executive duties. This matter will be discussed in our Parliament, too, and the Romanian delegation's position in Brussels will be geared to Romania's interests. Because as a European parliament and has to relinquish one's sovereignty, but this act must be accompanied by some kind of European security measures.

[Text] [Ciobanu] What proposals will the Romanian delegation put forth?

[Ciobanu] This is precisely the issue. Of course, we would like to leave with a set of constructive suggestions and proposals. We discussed this matter at a meeting of the commission, to which were invited representatives of the Foreign Ministry, the National Defense Ministry, and the office of the president. The discussions were very pertinent and the comments very sharp, but unfortunately not quite to the point. People did not yet dare touch the topic. In fact, this is one of the mores of our foreign policy that I do not like. We are in a "wait and see" mode. We should be more daring. We, in the commission, dared to ask more of the government.

[Text] [Ciobanu] There is permanent cooperation with the Foreign Ministry. Are there differences on major issues between the latter's position and that of the parliamentary commission?

[Ciobanu] All our meetings are attended by Foreign Ministry representatives. Even Minister Adrian Nastase himself often came when the discussions had to do with our position toward Ukraine or the events in the Republic of Moldova, for example. We were not always

in consensus. But we must remember that the individual viewpoints of various parties are expressed in the commission. The decisions, however, are taken by open ballot.

[Ciobanu] I would like to remind you of the Romanian Parliament's declaration regarding the referendum in Ukraine which, according to some commentators, was responsible for the postponement of the Ukraine foreign minister's visit to our country.

[Ciobanu] I am not convinced that the Parliament's declaration was the reason for which the Ukraine foreign minister canceled his visit, which had been scheduled for the next day, and we did communicate this to our ministry. The declaration was courageous and the government issued a similar one almost immediately.

[Ciobanu] What is the commission's stand on the tragic events in the Donbas Region?

[Ciobanu] We discussed the situation there immediately after the Romanian delegation returned from the meeting of the four foreign ministers in Chisinau. Our commission was of the opinion that in some cases Romania should have adopted a sharper attitude. Our country should have taken a more resolute stand regarding the statements made in Tiraspol by the Russian Vice President Alexander Rutskoy, which were not far removed from the Brezhnev Doctrine. The opposition are clearly supported by Russia, with its powerful imperial nostalgia. We agreed to know whether the problem was posed in the following terms in Chisinau: Why does Russia keep its 14th Army in the Donbas Region and why is it not doing anything about the latter's tendency to secede? I repeat, there should be more determination on the matter of Moldova. Of course, we are in favor of a peaceful solution to the conflict.

[Text] [Ciobanu] Senator, the Foreign Policy Commission has a consultative say in the appointment of new ambassadors. Who was the last ambassador in whom you advised?

[Ciobanu] We indeed provide consultative advice on ambassadors, after pretty heated debates in the commission. But they are appointed by the president of Romania. At the latest meeting we advised in favor of a liberal, Deputy Sorin Botez, who will go to South Africa. He will be our first ambassador to that country.

[Ciobanu] Thank you.

Interior Minister Describes Activities, Problems

(JPRS 92-001, Bucharest, 11/1, 18/1 in Romanian, 17 Apr 92)

(Interview with Victor Batista, minister of the interior, by George Aron, place and date not given. "I Did Not Think I Would Become Minister of the Interior")

[Text] [Aron] Mr. Minister, one of the people who have been guilty of atrocities during communism might be

thought to trial. I'm referring to Alexandru Draghici. As Romania's minister of the interior, how do you view the possibility that your predecessor will be indicted? What can you say about this affair?

[Baltuz] I think it's normal. In fact, as minister of justice in November 1990 I mentioned the need to initiate two categories of trials: one for those who fled during the revolution, who were unknown then and are still unknown, and the other for those who committed abuses during the dictatorship and who have gone unpunished. We did not intend these to become a campaign of trials, the unfettered pursuit of all those who at one way or another committed small abusive acts during the 45 years of communism, but rather to reach the upper levels of that period's administration, those who have profited from their position.

[Arnes] Does the Draghici case fall in that category?

[Baltuz] I was referring especially to the 1940 elections in the collectivization, the Canal.

[Arnes] What do you know about Draghici?

[Baltuz] I know that which would be known by anyone who was young at that time (I was a student) that he belonged to the Political Bureau, that he was minister of the interior, that as a gray eminence, he led the designation of important personalities in the country's political life, and that at one point he retired. He has been retired for over 20 years without anyone asking him what he had done, and now the time has come to ask him those questions. No one should live under the impression, no matter what position he occupied in the state at any one time, that he is untouchable because he has achieved a given station.

[Arnes] I think that it is very late and that he will not understand anything for society, however, his trial could have some benefits.

[Baltuz] The penalty imposed on anyone for having violated penal law does not represent society's revenge; but is the consequence of each person's behavior with respect to the rules of conduct that must exist in society. The application of the law does not mean revenge. Mr. Draghici and others like him must bear the brunt of the law, because otherwise the very idea of law is compromised.

[Arnes] As you have said, no one in a truly democratic society can consider himself untouchable. Are you convinced of it?

[Baltuz] Through everything I have done since I have been a minister, no one can say that I have believed in it. I considered myself untouchable.

[Arnes] In your present position, would you have the courage to reach for someone important?

[Baltuz] This courage must be there for anyone who becomes involved in an activity that requires the exercise of the law: police, prosecutor, judiciary.

[Arnes] How does the former minister of justice get along with the present minister of the interior?

[Baltuz] How shall I answer you? This is a job I did not expect. I could say that I left more at home at the Ministry of Justice. I came from a field and was dealing with a field which was extremely familiar to me. Here I had to deal with matters for which I was not prepared emotionally. But I should tell you that there is no threshold. Legal experience is not only exciting but absolutely necessary for any minister of the interior.

[Arnes] How many people are imprisoned in Romania right now?

[Baltuz] I know it approximately. It's a figure that changes. More than 40,000 people.

[Arnes] Is this a lot? A lot?

[Baltuz] Quite a lot.

[Arnes] Have you visited the prisons?

[Baltuz] I visited them in Romania, and I visited them abroad, because at the Ministry of Justice I was concerned with prison organization and modernization. As soon as I became responsible for prison administration at the ministry, I learned that there were some few of them that they are poorly equipped, that the inmates live under miserable, subhuman conditions and we wanted to know what the conditions were elsewhere. I can tell you for instance that I visited three prisons in America last year. I visited two prisons, and this year although I was no longer minister of justice, but because I signed in summer a preventive arrest in that ministry, a preventive arrest of interest to the Ministry of the Interior, they showed the one and they also showed me a prison so that there should be no confusion of information with what I wanted to see. The differences are what can I say? When I saw American prisons in the movies, I thought they were movie prisons. But when I saw the real ones in New York and Washington, I realized that there were no great differences between what I saw in the movies and what I saw on the spot; the differences are insignificant especially since I was looking at prisons dating back 20 and 40 years, commonplace prisons that have nothing special about them. Except that they are cleaned, clean, orderly, and you don't feel that you are going to be physically crushed when you go into them.

[Arnes] What is it that in a totalitarian system there is this preoccupation with humiliation up to the annihilation of the human spirit?

[Baltuz] We have both lived through the same period under the same totalitarian system. The concept of humiliation, of destroying individuals, existed everywhere, in all areas, at all levels, all the more so in a prison where people were sent not to be deprived of liberty, but

to be subjected to exhausting labor under agonizing conditions that would destroy them, and not in order to return them, educated, into society.

[Arion] What are the current relations with SRI (Romanian Intelligence Service)?

[Babuc] Of the ministry?

[Arion] Yes.

[Babuc] Normal. Nothing spectacular. Cooperation relations, all in all, we are two organizations with complementary activities.

[Arion] Do you know to what extent the presidential office is or is not involved with all that has happened in Romania from December 1989 until now?

[Babuc] If you don't mention something concrete, I won't answer with specifics, but only with generalities.

[Arion] Let's take the miners' demonstrations.

[Babuc] No one in Romania knows who or what was behind these demonstrations. There are a number of assumptions, a group of scenarios, but no one has confirmed them so far. Let's hope that some truth will surface, because a parliamentary commission is working on it.

[Arion] How is it possible for such things to happen in a country without anyone knowing the source.

[Babuc] I wish I knew. I find it difficult to answer. This question.

[Arion] Or for instance, to broaden the subject, I find it entirely anomalous that the truth is not known about the so-called terrorists. When one person dies in a population of 23 million, you find it. But when one thousand die.

[Babuc] I think that your dissatisfaction is quite legitimate. Unfortunately, I can't give you an answer that will satisfy you. Both the events of December 1989 and the miners' demonstrations through which we all lived, are being investigated by the District Attorney; these events are in their jurisdiction. Some investigations are done by the police, some by the District Attorney, just like the District Attorney can obtain any fact from the police and proceed to investigate it. That is why it is only there that you will get a qualified answer. Anything I might say to you is simply an assumption or hearsay.

[Arion] But in the back of your mind, do you have any guesses about it?

[Babuc] I could have guesses, but I cannot state them.

[Arion] I understand.

[Babuc] Even you have guesses.

[Arion] Of course. Could a situation arise in which you would resign, for instance?

[Babuc] Naturally. The moment I find myself prevented from doing what I believe must be done at Ministry of the Interior. I would no longer consider it right to sit here, in this chair. At the Ministry of Justice I behaved as I do here, as a free man, who does more or less right, or wrong, because that is what he thinks should be done, keeping in mind my task behind this desk, but not because I'm playing someone's game. The moment I could no longer do what I think is right, I would leave.

[Arion] How free are you as minister of the interior?

[Babuc] From what standpoint?

[Arion] From all standpoints.

[Babuc] I don't feel very free because of my schedule, this ministry, which is huge, consumes almost all my time and all my energy. But I have no constraints whatever, except those imposed by legal provisions. I do not have a naturally abusive nature, and even less so here, where I am called upon to implement the law and assure order in the country.

[Arion] Were you ever tempted by the allure of power?

[Babuc] No. I have not been tempted and I hope not to be tempted. Since I have become minister, something which I never dreamed before, I tried to act like a normal person, and as someone who knows that he is minister for a limited time. That person must not lose the reflexes of one who is not a minister, nor must he feel one day, if he no longer is a minister, that alas, he has suffered a misfortune.

[Arion] You know a lot of things. Do you sleep well?

[Babuc] I sometimes don't sleep well because I'm tired, but not because I know too many things.

[Arion] How transparent must a minister of the interior be?

[Babuc] Almost completely. Not in fact do I see why he should hide. In final analyses, all that we do is to assure protection for the citizens and their property. Why should I hide what I do toward that goal? Of course, as in any activity, there are a number of considerations of a professional nature. But these are not a secret in themselves, but rather are less well known because of circumstances. There are fewer secrets than people think.

[Arion] Will today's policeman, if I may call him that, and the policeman of tomorrow be different from yesterday's policeman?

[Babuc] If you mean the policeman of before the revolution, the answer is unquestionably yes. Today's policeman no longer defends a regime against the citizenry as he did until December 1989, but must protect the citizens and their property, no matter what party is in power, independently of who is the country's president or prime minister, or minister of the interior. Then, if he

acts in the democratic spirit of which I spoke earlier, he will obviously be either that he was before the revolution.

[Arion] I have another question: if the wheel of history should turn so that Draghici would not be judged, so that his illegal acts would not be known, do you realize that you would be in prison?

[Babuc] If you really want to know, I have thought about that. But I have done, and I continue to try to do, what I consider best for this ministry, for the ministry from which I came, and what I considered best for the country. I have done nothing for any one person or for more than one person. I wanted to serve the institution in which I stood as well as the interests of the citizenry. It is also possible that I may have been wrong, but I am certain that I have committed no abuses, so normally what you mention should not happen to me.

[Arion] But do you think that the ministers and so many parliamentarians of the years between the two world wars had done anything against the law when they were judged?

[Babuc] No, I don't think so. But they were judged by a regime, by institutions who were manifestly abusive. But I hope that through everyone's efforts, not just mine, such institutions will no longer exist in Romania, and then, under normal conditions, your supposition should no longer be possible.

[Arion] And one more question: how do you monitor your actions to assure that you make no mistakes, or better yet, that you take no actions against mankind?

[Babuc] Here in the ministry, we have a criterion available to all—*vis of the law*—because we don't act, or should not act, otherwise than in relations to legal provisions. In that case, the things you mention should not happen. Whether that is so or not.

[Arion] I want to take advantage of this interview to point out that the FLAC/ARA editorial offices have often been visited by unknown persons. I might ask you, to try to further the investigation for their capture.

[Babuc] It is my duty to provide this support, maybe we will succeed in identifying those who entered your premises. This is one of the reasons the people are unhappy when the police, advised of an incident, cannot say who did it, nor how it was done, and when those who commit these deeds remain unpunished.

Latest News from the Ministry of the Interior

A few statistics for January and February 1992: 580 offenses were committed 196 weapons were confiscated 19,408 persons were investigated 890 serious traffic accidents 9517 minor accidents 1660 perpetrators caught in the act in markets, flea markets, and shopping centers 440 wanted persons who were eluding prison sentences were caught and identified 39,492 fines were

collected for a total of 207 million lei In illegal currency traffic, fines of 64 million lei were imposed, 88,000 dollars were confiscated, as well as 61,000 marks, 154,000 rubles, and 42 million lei derived from illegal currency exchanges.

SRI Budget Given at Over 7 Billion Lei

92B0045B Bucharest ROMANIA LIBER
in Romanian 14 Apr 92 p 4

Article by Florin-Gabriel Marculescu "The (Im)present Securitate"

[Text] Dismantled (between inverted commas) in the evening of 22 December 1989, when its troops and archives were transferred to the care of the Ministry of National Defense, the feared institution of the Securitate did not actually cease to exist for even one moment. Taking advantage of skillfully staged riots in Targu Mures in the spring of 1990, it reappeared by the end of March under a very unassuming name: the Romanian Intelligence Service (SRI); its birth certificate was a secret decree signed by Ion Iliescu, at the time president of the CPUN [Provisional National Unity Council]. Ion Iliescu had at the same time taken over the leadership of the service, troops and all. It continued to operate in a state of quasi-legality, so to speak, until the spring of this year, when at last a law was passed on the organization and operation of the SRI. All that Parliament did was to transpose realities into articles and paragraphs. While previously the Securitate was one, now it has dispersed into an apparently non-homogeneous network of services and directorates: the Foreign Intelligence Service (SIE), the Guard and Protection Service (SPP) (subordinated to the presidential office) and the information services established or about to be established by the Ministry of National Defense, the Ministry of the Interior, and the Ministry of Justice. There may be still others somewhere in the underground tunnels of the FSN [National Salvation Front]. For the time being the existence of this myriad of services has not yet been legalized. But there is no doubt that the core of the securist constellation remains the SRI, led by the former and current securitate man Virgil Magureanu.

In reality the service is a superministry placed outside and even above the government and subordinated to an institution—the Country's Supreme Defense Council—whose prerogatives are impossible to ascertain from the text of the Constitution. The SRI director is appointed at the recommendation of the Romanian president at a joint session of the two houses of Parliament. That means that his place is at least equal to the prime minister. That is the reason for which Mr. Victor Babuc, in an interview given for our newspaper, correctly estimated that the SRI enjoyed a privileged position in the state. The SRI hastened to publish a communiqué exuding undisguised irritation and endeavoring to persuade us that its statute flowed from the principle of the separation of powers in the state. *Fair!* The SRI has no right to invoke that principle in order to justify its

privileges. There are only three powers in the state and following the example of the organization of intelligence services in all the democratic countries in the world, the SRI should be controlled by the government and carry out its activities either under the authority of the Justice Ministry, or that of the ministry of the interior.

It is true that by law, the SRI activities are monitored by Parliament, for which purpose a joint commission of the Senate and Chamber of Deputies was envisaged. But the commission has not been formed. Even granting that the establishment of this commission will not be delayed anymore, the justified question remains, how can one monitor a superpower that at any time can track investigations by evoking circumstances linked to the preservation of state secrets? And what authority can such a commission have over an institution which, aside from presidential protection, has its own troops and a financial empire authorized by law? In other words, it has funds, in addition to its budget allocations, the source and utilization of which in fact escape any means of control.

The SRI has been allocated more than 7 billion lei from the state budget. Twice as much as was allocated for culture and about as much as was allocated to the entire justice apparatus. That may be little, but by comparison it is excessively much.

The great achievement of the SRI was to keep alive the Ceausescu law on the state secrets, a detested law totally opposed to the aspirations of our society, but which continues to be implemented with growing zeal by the democratic SRI. Small wonder, because the rituals and practices of the Securitate are being perpetuated by the new institution, which, as we said, is different only in packaging. Telephone conversations are being tapped, letters are being ruthlessly monitored, persons are put under observation as of yore, and the old security has resumed and overtly continue their activities of investigations and espionage. And by law, the fate of common mortals still depends on their word. What a irony is that only Mr. Magureanu seems to not know about what is going on in his own backyard and is flooding the market with emergency demands. He detours everything in his path, even when caught red-handed. As in the past, he works like to decide lines, discussions—also relegalized—are encouraged. The Securitate draws its power from fear. Fears of the past, of the present, and of the future. And as long as we do not wake up and burn our law, it will continue to dominate us. The omnipresent Securitate was and still is the backbone of the state. Which state? In line with the law, we will see the law-governed state. A difference does nevertheless exist: the Securitate is maintaining the difference. In reality, it is itself in disarray and looking to the future with justified concern.

Report on Magureanu's Statement in Parliament

V. B. G. (Bucuresti) 4/12/92 (SRI) 1. in Romanian
27 Apr 92 pp 1-2

(Article by Irina Dumitru: "By Law, the SRI Director Does Not Even Exist")

[Text] What happened on Thursday under the dome of Parliament had the air of a double victory. On the one hand, a victory for the democratic arguments valiantly making a distinction between the past, and on the other hand, a victory for Mr. Magureanu, who shifted the discussion from his file to those of Parliament members. But behind the appearances, it was a great victory for Mr. Magureanu and a defeat for the deputies. Once again, shadowy maneuvering won over insufficiently mastered democratic procedures.

Paradoxically, the deputies' defeat came from their inability and unwillingness to put forward their own arguments. This however is against Art. 43 of the SRI [Romanian Intelligence Service] Law, the only article dealing with the status of the director's data and information, issued or taken over by the SRI. "The entire material of the former Department of State Security involving national security may not be made public, except after the lapse of 40 years of the promulgation of the present law." That is, on 24 February 2002. The vote and decision taken by the deputies, however, completely disregard these activities and courage. All the more so, Art. 43 of the SRI Law was passed by the vote of the entire parliament. A valid parliamentary decision on this topic should have preceded this law. (Under democratic means of law, one would have seen these conditions, and this is precisely why it was helped to disappear.)

In fact, the Chamber of Deputies is incapable even to vote on even a provision to take decisions in this institution. The only point in Mr. Magureanu's argument before the deputies was to answer—very promptly, this time—on the two questions raised during the week. However, the Chamber's agenda for the Thursday did not include the usual open for answers to questions in Parliament. On Thursday, a last hour agreement was made on the law on electronic campaign financing and the law on parliamentary elections without a final vote (48). The work day ended at 1:30 without any reference to any of the emergency laws. As it was, the Chamber of Deputies is incapable even to vote on laws—what is odd—the SRI had failed to answer and answer loads of information that, according to the SRI, can only be revealed that Mr. Magureanu did not keep his promise to produce the list of names of those who resigned the military rank and that he questioned other armed political institutions. The Chamber also demanded the introduction, formation of the joint commission of the two houses (the second is specifically and permanently monitor the activities of the SRI) in accordance with Art. 1 of the SRI Law. However, a commission of both houses was considered in order to satisfy the citizens and get down to effective decisions. But a

order to remove Mr. Magarasiu, as it had been requested, but to provide against this.

As long as he has not passed the term (provided in Art. 2), Mr. Magarasiu is de jure not the director of the SRI. "The SRI is headed by a director appointed by the Chamber of Deputies and Senate in joint session, upon the recommendation of Romania's president and after hearing the candidate proposed by the commission in charge of examining parliamentary control over the SRI procedures, which will present a report before the two Houses of Parliament." Since almost two months after the passing of the law the commission in question still does not exist, this procedure did not take place. Without having taken the oath before Parliament as director of the SRI, we do not see what orders and instructions Mr. Magarasiu can issue (according to the same Art. 2). Consequently, the deputies cannot remove the unconstituted SRI director.

Yes, Mr. Magarasiu is outside the law. Could he become legal? Mr. Magarasiu's tenure can occur either by his own will, or by that of the person who installed him at the head of the SRI. What is more, the president of Romania is also chairman of the Superior Defense Council in which the SRI belongs.

Judiciary Lacks Independence, "Passivity" Decried

U.S. SEN. FRANK RUCKELSHAUS, ROMANIA LIBERTY
in Romanian 9 Apr 72 p. 1

(Article by Florin Gabriel Munteanu, "The Judiciary, a Nonexistent Power")

[Text] "There is no freedom of the power to judge is not separated from the legislative power," said Munteanu, in reporting this famous opinion. We do not intend to reopen a discussion of the well-known principle of the separation of powers in government, nor to dispute over more the fact that our fundamental law ignores it, but purely and simply to remark that without an independent judiciary our rights and liberties remain to remain, as they have until now, and so much worse. We have courts, we have prosecutors, we even have a Supreme Court, but the judiciary is far from operating at the level required by the state of law about which we have been hearing with nagging insistence since the revolution. No matter how serious it might appear, the judiciary continues to operate along communist patterns and to work at the service of the administration. Parliament and the government have been provided with a legislative framework more or less appropriate for our present goals. The the legislature and the executive operate at cross-purposes and do not rise to the level required by democracy, so the law is the imperfections of the law and more—we are obliged to say, precisely—to the moral and professional laws of those who possess the respective institutions. In any case, even if only formally, these institutions have broken with their communist past, and there are expectations that they will operate correctly in a non-communist future.

The judiciary, however, the third power remains as we have suggested, a shadow of constitutionalism. The draft law on judicial reorganization, a project formulated and submitted to Parliament for approval as far back as the summer of 1968, has been blocked without any prospect of the Senate, hampered by our ignorance of the gap between the two world wars, this project originated the reorganization of the entire judicial system on a democratic basis, reaffirming the principle that judges are independent, and the cohesion and unified employment of the attorney general throughout the judicial system. We don't intend to delve into details, nor to discuss technical issues. As we know, they have been widely discussed in the press and we hope that the operation will have their say before too long.

There is no question that the shortcomings of the attorney general is what has blocked the draft law, and there is nothing new about this argument. But beyond the opinions and preferences of the attorney general, we believe there exists the will of the present administration to proceed by all means and at any price the independent operation of the judiciary. The institutions weighing on the shoulders of those of our present officials are too numerous and too serious. It is not a matter of petty inconveniences, of small irritations, but of political crimes committed on orders from highly placed leaders of the communist regime, in a regime that began in the 1940's and ends with leader Ionescu and Aurel Ciocanu. It is a matter of the careers of officers that had flowed in December 1989, of the careers of the former directors, of the careers who have disappeared as if by magic, of the Central Committee members who have been all time, of the executives who are enjoying immunity. If this burden is also among the judges, it becomes easy to understand why the attorney general is allowed to operate in the old pattern. The judge who are walking around intimidated and in complete salary need the humble compliance of the attorney general, and present is with threat. Files must be hidden, reorganized, erased or destroyed, all of which requires one an independent judiciary would constitute a real danger for some of those who now hold key positions in the structures of our so-called state of law. Let us mention no names. There is no way in which the step of constitutional, meeting the goal of the few hundred seriously judges, parties, can begin, and even if it were to start, it would become transformed into a useless game.

After the revolution, nothing significant happened in the law. The Commission defines its principles, but no one appears inclined to implement them, not even the court of justice, constrained in its reprehensible passivity. There were some small personnel changes, some movements, but no demand to effectively change the judicial structure, and in particular the attorney general's office of those who are compromised politically, professionally, or ethically. Whether by words or by act, the retention of justice is placing the administration in game.

The assembly process—both as legal sanction—has introduced a draft law regarding the organization and operation of the Public Ministry, through which a commission seeks to extend its supervisory impact, creating an old organization. The mission of justice was nothing. The government was nothing. Parliament was nothing. A congressional institution third corner.

The judiciary cannot have been one. The assembly process and the Supreme Court mean for a while nothing when they are instruments of a public administration. Without an independent judiciary, the existence of the state of the country is discussed. Therefore, the order. The model for the judiciary's organization must not be sought in the way it exists in our democratic past, and the organization of the Romania that existed between the two world wars cannot be forgotten.

Roman Way's Turn to the Right Continued

U.S. News & World Report, [INTERNET] in Romania
10/17 Apr 92

[Article is one consideration to suggest some "The National Convention and the Role of the National Convention"]

10 Apr 92, 9

[Text] The National Convention of the National Convention Front was by far the most significant political event in determining Romania's future. It was the decision of the Front to accept a possible coalition with various organizations in the area of the center of the Romanian political landscape. Under the leadership of the convention is controlled and a major political force is created. That does not follow for the first of our democracy with organizations open recognition of the national economy and upon the basis of its transition to a market economy. A recognition of the Front's condition that appeared after the election, promising of a big revolution of Parliament into two groups, capable of governing, would not be significant in Romania.

Front as Expression of Will of Majority

[Paragraph] on 22 December 1990 in the event that opened a new page in Romania's history. The National Convention Front was actually a union of forces that represented the will of the majority of the population and the political force able to offer, from the first months, viable solutions for the future and to direct the course of the state, which is pledged to work on the basis of the new coherent and rational program. The decision of the Front and the government is based after the election of 20 May cannot be denied or diminished. It was not with such popular support, which having a lot of adherents, and opposition from a better organized and coordinated right.

The New View Regarding the Government

The convention began under overwhelming economic, social and political difficulties. Parliament with its PSD (National Salvation Front) realized a large part of the new economic legislation, the necessary time for radical economic reforms and necessary the urgent task of clearing the way to a market economy. The Romanian Convention was adopted and confirmed by a popular referendum. (Under Romania changed its political law and the democratic way of life was better established.)

The beginning was hampered by the opposition of the economic crisis and by disagreement. The start of the reforms, even in their form of gradual application, would have been enough to make the stage of the Front. However, the opposition, of which the student party and the multitude of organized, nonpolitical organizations were the major factors, confronted the PSD-Romanian government's efforts from its first steps. It arose as a result of its political fight. Lacking mass support, it compromised for its actions with other forces, shared a reputation and it agreed to work without access of power to expel the democratic groups and to make the effort to counteract the effects of the economic, social, organization in Parliament and especially outside it, and following as an international force, the right of opposition forces, opposed application of the economic laws and after they were called a constitutional and legal force and urged their reapplication or future application.

What Did Roman Group Go Along?

The convention and political analysis at that time is dominated by the role and way in which the PSD-Romanian group directed the Front's initial program, policy. The fact is that to replace a social democratic orientation toward a gradual reform with a liberal one and to move the upper hierarchy of the Front toward a rightist policy. The application of "shock therapy" to the process of transition to a market economy, because the upper hierarchy that therapy application was necessary, and they rejected the democratic, bourgeois criticisms from within the country. It is well known that the "shock therapy" chosen is an examination of the criticism of other foreign politicians who saw immediate results in the economy of East Europe without taking account of the specific realities and possibilities. The program of the Front that was applied in Poland was a failure and was rejected by a great part of the Polish population. Yet the Roman group considered it necessary to go on with it in Romania.

What caused the change of law? There were reasons for it, some obvious and superficial and some economic and historic. An important part was played by a growing and for power a competition with the political game for its own sake, and the opposition and politicians of persons devoid of any real character or convictions. The highly powerful foreign pressures and influences, combined with the constant economic attacks of the opposition gathered around the traditional

politics, against the underdevelopment, in this humble struggle of the "right" nations of postcommunism, in fact, the lot of the popular masses who bear the effects of any political doctrine cannot be confused with the government's policy leaders, who were there and there absorbed in the struggle for power in any given

Errors or Deliberate Attempts To Compromise the Initial Program?

Never did Petre Roman or those around him directly and honestly reply to the criticisms of the direction of the efforts on the path of a liberalism that was not applied in the stages of the economic crisis. Never did the Roman group acknowledge its government's attitude, financially, comparatively, the real reasons for its economic policy could not be demonstrated, nor the responsibilities demonstrated. Not even the Party's National Conference made any analysis of the errors made by the Roman group. And as the FSN members, to say nothing of the public, could not demonstrate the FSN leadership's attitude toward such potentially negative phenomena as:

- The mismanagement of the economic crisis and its aggravation by the wrong measures, disorganization of the management of the national economy and demotivation and disorganization of the industrial enterprises, permitting the onset of anarchy in production.
- Subverting the official language to a demagogic process, ruthlessly condemning it as a bad legacy and the line of "error abroad."
- Disorganization of economic management in the macroeconomic level under the guise of autonomy and decentralization.
- Expansion (overload) of the agricultural program through plunder and destruction, disorganization of the search for diversity, agricultural operations without replacing it with anything, lack of any effort on behalf of the fate of agriculture, on which a bet was made that was abandoned; loss of administration of the economic resources to conduct the agricultural campaign and to provide agricultural machines, fertilizers, seeds, etc. as government responsibility toward of the promised attendance.
- Lowering the price of liberalizing prices and in price fixing, began under the sign of foreign advisors who unthinkingly discovered the strategies documented studies and measures prepared by highly qualified Romanian specialists.
- Indifference or careless treatment of the problems of construction with real and effective social security, lack of any honest or careful dialogue with the social elements who bear the bad effects of the measures taken by the adoption of "shock therapy."

The leadership of the FSN did not use one way or the other of the working manner, and then it declared that

the other that these measures are in social time is possible and worthy an achievement stage.

[17 Apr 92 p. 8]

[Text] The main concern of the Roman group in the National Conference was to maintain its power, even at the price of losing the party. And a probable "success"?

The criticism of the working program, the strengthening words and the right, Roman did not guarantee its return to the left, that requires facts and data on the state of the nation. An examination of the Roman group's strategy was prepared in one of the documents, suggested by the form of personal criticism, which are now out, and from the right.

The leadership of the FSN should have recognized itself a small part of these national crises, after changing it, directed and for the loss of one half of the electorate in the local elections. If they had been an analysis of the situation, and better in the speeches and attitude of the group members. After the loss of the vote, members in England, the Latvian leader Neil Kinnock had the courage to say, possibly behind a table of honor.

The responsibility for the major errors continued and for the change in direction of the political orientation falls upon the leading group. But a modest sign, especially leadership to criticism and a growing part of the FSN members and organizations in the end represent under another program and a strategy, closer to the concerns of the part of the public that supports the status quo and the national economic and social requirements that were asserted in the process of restructuring the justice.

Compliance or Future Alliance With the Right?

The traditional parties against the Roman group, which drift to the right was becoming increasingly important, to do the job of destabilizing the national economy and ultimately its own state of "error." They were accumulating political capital from the errors committed in Petre Roman, Adrian Bura, and others. It is the hope of the rightist opposition to fill the gap left by the left in the FSN.

The question of it is that the organization of the rightist opposition, through the Document, our president of the PNCD (National Program Christian Democratic Party) are speaking of a possible alliance between the Conservatives and the Roman FSN after the election, because "The Roman group as a political movement is closer from the viewpoint of the Conservatives" and it also includes "non-controversial elements." The result of the other side speaks the truth. And as there is the place and role of the former national leader in the postfunctional political configuration, in the view of the former adversaries. It is true that the date 4-23 was promptly qualified their opponents as a document is a declaration that they should be. The Roman group's drift to the right should not be a collapse to the right. But, on

must consider whether they were adversaries or accomplices and whether they will be accomplices or allies in order to return Romania to the path of its great traditions, which they engaged on it under the patronage of the governments dominated by the traditional parties, namely: four decades ago and a way fought on two fronts. The Romanian people do not deserve a new catastrophe for the sake of a selfish and dirty political game. A political declaration is needed, not a resignation of the press.

If political alliances will be necessary in Romania and if the transition to a post-communist requires a national reconciliation and a coalition of political groups, it should not be done through fraud and political-moral compromises but by the decision of responsible political forces, openly stating their strategies for the good of the people.

Let Us Read the Romanian People's Wishes

Far from the class struggle, the traditional coverage of the traditional parties, and the rejection of the working masses severely disloyed by the Roman group, the Romanian people have an excellent sense of history. Peter Toms said a beautiful: "The Romanians have the genius of history." They have taught the the enlightening course of the times without creating in the minds of even minor part.

In the coming electoral consultations, which are decided for our future, the voters must go to the groups that are capable of answering the call of history. But the present electoral opposition has proved its extreme incapacity in the decades between the wars, while the latest group leaning toward the right, the Roman group, has proved a failure and loss. Their presumed alliance, even if it is a government, by its means assures them of an escape from the electoral results.

The Romanian election is awaiting those who are ready to give them clear answers to their questions, to their profound concern about the immediate future, to the vision that is publishing the economy, and to the aggressive globalization of power among the state in order to come on the reform consistently and consistently without obligating them to new sacrifices and new changes.

The election comes that a beginning should be a confirmation of clear programs, specific measures, discussion of economic and social reforms expressed in clear terms, and discuss opinions concerning the social program, current proposed and the kind of economy planned, without the ambiguity, vagueness and long words that usually hide politicians' true intentions. The old political class that arose between the two wars was not saved of this danger, and some of the new politicians have been infected with it.

The PSN is Original Foundation

No. 100000 group appeared in the name of the PSN of 22 December, and an intervention was held in the

front. There was just the political force that the revolution brought forth, which has remained faithful to itself, has been enriched by new experiences, and has learned new lessons in the process of implementing reforms in the economy, society and legislation and in building the new institutions of the democratic state. It rightly guarantees total elimination of the errors committed by Peter Roman, Adrian Severin, and other leaders who abandoned the course chosen in the face of the revolution and adopted by the citizens.

The challenge issued by the PSN of 22 December must be transformed to a credible and realistic national program that will answer to the voters, the state and those excluded from political activity, confidence in the idea of better, honesty and success in serving their true interests. When the election efforts are over the country should have a firm government capable of victory, in a historical stage of social justice and peace in which democracy is consolidated, the serious problems of the economy and implementing the reforms and economic changes that are becoming irreversible. This will be the work of the Romanian people and the logical and necessary continuation of their will expressed in December 1989 in May 1990 and through the strengthening of the Roman revolution, in the legal elections in February 1992.

Roman Failed To Obtain Understanding in U.S.

of U.S. (JPRS) has been 4/1 of Romania / Mar 92 / 10 / 1

(Class commentary by Peter Roman, Chairman of the National Salvation Front, "Lessons of Life")

[Text] 1. Success is the most precious thing that a politician can experience. When a politician's public performance and popularity go down, he should not take it to heart. If he believes his decline is unfair, then the danger of a catastrophe lies in his hands, not in nature. That is those whom he wants to experience—or better said and truly meant. That is the people—in the end, the only danger for a politician who devotes himself to the public interest.

The contrary view is the classical power of certain type institutions or the modern and aggressive class that of the communist pattern, would show that the goal is something else. It makes the sad to think of such a goal—I will call it "politics," which is giving personal interests before the public interest—which can occasionally be seen today even in post-communist states, which I would rather not name here. I would just like to contrast that the reform and the nation's survival will not spring to life and could be expected results as long as the old mentality and the old regime's networks of interests believe them and hinder them at every step. The new people—people devoted to the renewal process, people who are able to bring about concrete positive changes—will be the constant target of hostile attacks

from those who think that they can still halt the course of history in their past glory and simply continue to believe in communism.

Yes, I am deeply sad that patriotism, that a personal interest coming before and around of the public and national interest, has gotten up from. Moreover, the forces of the past communism and authoritarian regime have made themselves heard once more and are quite active. Well, this does not bode well for the reform and the country's renewal.

Therefore, I am worried over the way in which the press and a part of the politicians are treating the subject of constructing the reform.

Please read again—honestly and in good faith—the program of reform proposed on 28 June 1990, the October 1990 report, and particularly the February 1991 report and you will clearly notice that we were courageous, responsible, professional, and definitely devoted to the interests of the country and people. Even the provisional government—disputed by now—was the outcome of the revolution, it had its own political line, had to immediately deal with the disaster left behind by the communist regime, and had its efforts in coping with the situation, something that is worthy, legitimate and deserved now.

Why do we no longer remember that an economic balance was maintained in the six months of that period and that the people were able to breathe a little after the horrible final years of the dictatorship?

Was it not the provisional government which launched that important study for the strategy of transition to the market economy, which correctly estimated the main directions of the reform?

What did the estimated \$1.1 billion hard currency reserves amount to given the disastrous state of our industrial apparatus and the dismantling of CEMEX?

Our society will not be able to recover if we do not rebuild at home the courageous and traditions that have sustained our people. Work, honesty, courage.

It is easy, but so daunting, to avoid the truth, just because it is hard to alter it. If all politicians in our country were primarily concerned with their own image, it should be clear to us that the question arises who is still left to do something for the country (the answer being—nobody). As difficult as it is, will sacrifice for the good and progress of the nation is the law of life.

Admitted, justice and truth will come out eventually.

I was ready to accept any humiliation, as long as the Romanian country and people were institutionalized law. However, do not ask me to forget my dignity. This I will not do.

I have waged a dignified struggle, with honest means against the reactionary forces of the communist regime

which used the arsenal of totalitarian means, while the country was in the full process of building democracy. Can the country make progress if the old regime's networks of enemies are still active and strong and the political positions of the former days are robust? Paraphrasing if all this occurs at a turning point in our history?

Last Christmas, I asked myself a few questions, which many Romanians are also asking. I thought to give an answer to these questions in our political program.

But what do we want instead? Various parties or politicians, people with great responsibilities in the country and political life, do not attach due importance to these issues. Each one wants to play the game, but when the game requires that they put on the clothes of truth and learning, they try to avoid the issue by saying "We do not want this game, we want to play politics [Romanian told later where the politicians was each other]" so as to be able to continue yet another young political job.

These attacks come on the surface getting up in the south of people struggling to change things and whose only aim is accomplished the change. This struggle is difficult, because the people trying to reshape the country in a reborn are devoid of any kind of means. Their attitude is to cling to power by all means.

I am old woman—and maybe sad, but that is of no use at all—that the most well-grounded political "strategy" today is challenging what other politicians have done or said. If each man with political responsibilities in our society were mainly concerned with his own image, who is going to do something for the country? As I have already said, will sacrifice for the nation's well-being and progress or hard work is the test of life.

2. I was very concerned, as is every Roman, with the quality and especially the trustworthiness of our relations with America, particularly with the United States.

Direct and personal links always play a part. I recalled—and I let the memory linger in my mind—the great professor and man John F. Kennedy of Iowa University. He departed from among us early, unexpectedly and too soon. I met him in Bucharest in 1980, at a scientific meeting, and we spent two days together. We became quite close. He said something very simple and hard to believe: "You [Romanian scientists] cannot know—the newspaper's picture tells us." He was really surprised by that unexpected, but very interesting revelation.

John F. Kennedy, professor of International Relations, remained in my memory as a friend of better America. It is especially thanks to him that I have unashamedly tried to understand America and is far closer to it, than is, thanks to him, and thanks to the man who institutionalized a new America and born the same name, John F. Kennedy.

What do I think now about American society? There are two basic considerations. 1) That society allowed, stimulated, and achieved a great flourishing of science and technology after 1945. That flourishing was conserved to all developing societies. How did it become possible? Because for two centuries American society has unflinchingly relied on the principle of economic freedom and the freedom of entrepreneurship.

As ideological extremists were not able to take root in the American society, American society experienced neither totalitarianism nor fascism. Even racial extremism has steadily declined with the passage of time. Why did political extremists fail to engrain themselves in American society? Because for two centuries the so-called values of democracy were not conserved in American society.

America has been a country of refuge for many, either directly or in the third, in difficult times of contemporary history.

Nevertheless, I failed to obtain the understanding of the American politicians. Nobody can ignore the fact that the United States is the only superpower in the world today. Is it really the case that nothing that is outside the framework of the thoughts and beliefs of today's American politicians can move in our world? Perhaps I need to go through a similar period of understanding in order to answer it which is better.

Convention's Future Without Liberals Viewed

CELESTIN BUCURESTI *AFT in Romanian* 21 Apr 82, pp. 1-2

[Article by Radu N. Alexandru: "The Liberals Are Advancing While the Democratic Convention Is Regressing"]

[Text] In the past few days it was the turn of the PNL (National Liberal Party) to be in the attention of the mass media and the public. The topic, however, was the same: the electoral struggle, especially the struggle for the presidential election. The liberal "establishment"—mostly for the former conventional allies—was the confirmation of the divorce of the PNL from the "left." The reason cited by the liberal leader was the need to separate from the UDMR (Democratic Union of Hungarians in Romania), because "The PNL is a national party which defends the interests of the Romanian people" and the numerical disadvantage of joint electoral lists. The other reason was the electoral competition between the candidate Măndulescu and the potential candidate Ciampiș in the coming presidential race. Aside from reasons, the PNL seems to be the only party in the "democratic opposition" which is trying to get out of the trap laid by the opposition itself. The trap consists of ensuring the topic of the political struggle and action, the "left" parties are making the achievement of the FSN (National Salvation Front) their central political objective, which in fact was the purpose for which the CD (Democratic Convention) was created and as such it is condemning these parties to eventually

being in the opposition and casting doubt on the viability of a possible future parliamentary split relations equally between the FSN and its opponents. In this situation, the PNȚCD (National Christian Democratic Peasant Party) et al. are probably considering forming a cartel with the PSM (Socialist Labor Party), considering the numerous friendship between the Peasant Party and our "great neighbor at the east." It is true that the neighbor is rather decreased, but a lasting friendship is not so easily broken.

The liberal "disaffection," which was nevertheless not easy to attack, because Mr. Ciampiș was not an important opponent inside the party in the person of Mr. E. Tokacs, is on the point of cancelling the effort (CD). On the one hand, while for the PNL the vote of the UDMR votes—which in fact Mr. Ciampiș did win in May 1990—may pose a serious problem, for the CD the loss of the liberal vote is a catastrophe. All the more so as such a loss cannot be recovered by the "left" as long as it also incorporates the UDMR, while the liberals have a charter of gravity at least some of the votes of those obtained by the Hungarians' endorsement policies. On the other hand, by no purchase for an alliance of the "historical" parties—the Convention's older formula for establishing democracy—the PNL appears to have right ready for a compromise. In fact, it is trying to get the UDMR and the PNL (Core Alliance Party) viewed as electoral allies, out of the Convention and force the PNȚCD to choose between its "historical" relations and its own vote. Thus, the key of the "left" is the PNȚCD and the responsibility for the decision has been shifted to the partner's court. But regardless of what Mr. Ciampiș will do, the present CD formula is compromised and the causes of this situation go deeper. They have to do with the incompatibility between different ideological lines and the impossibility of harmonizing divergent interests and however pursued the "left" may be in the brilliant colors of a political coalition, a marriage what it is but was a conjunctural electoral alliance.

Return on Defection From Salvation Front

CELESTIN BUCURESTI *REALITY* 4 April 82, pp. 1-2

[Interview with parliamentary member Sorin Bocușan, National Liberal Party, by Dan Cioc, guest and date not given: "Former Salvation Front Member Returns"]

[Text] [Cioc] Mr. Representative, could you first tell us about the activities of the FSN (National Salvation Front) and about your switch to the Liberal Party.

[Bocușan] On 23 January 1990, I participated in the decision to form the Front, considering it as a pragmatic political organization that would define several political movements. In other words, not as a fractured party, but as a pluralistic organization. I was certain that there would arise a Christian movement, a social or socialist one, a liberal one, and so on. All of which was a dream, because a group of young communists "banned" were incompatible with great fact working within the Front.

[Loser] Can you give an instance, examples?

[Bucurari] Of course. Peter Roman, the Securitate-Pan group, and so on. They spring from very well defined sources, some, such as Peter Roman, were raised in the Communist environment, others were also trained in communist environments, at the Sorbus-Litvinsky school. Except for the former prole revolution, they are all specialized in leadership techniques, they have learned something in their training as politicians, which is that the communist system cannot persevere if it allows in fact, as was possible during the 1950's, when one could see that one was destroying, smothering, killing, causing to disappear. They have learned that a final apparatus is necessary as internal one and another democratic one for the public, for outside the FSN.

[Loser] As you see it, this is the group's technique. But how could it succeed in overcoming all the other movements within the Front?

[Bucurari] They took advantage of circumstances without political ideas, people interested only in the fruits of power. The traders successfully stopped the adoption of measures and the organization of the structure against the waves of corruption, resistance and illegal actions. As a result, a gulf was created between the FSN and the rest of the political threshold, and in particular the historical parties.

[Loser] Was there a program to undermine the historical parties?

[Bucurari] Not at first. It occurred spontaneously. But later, such a program did exist, and we have seen the results. They have demoralized the leaders of the historical parties, which were in rebuild the European values of the Romanian society and its institutions.

[Loser] The ones the people accept. Nevertheless, who did you leave the Front?

[Bucurari] Because the last National Convention adopted an attitude unthinkable for a normal European party. There was no hope, no minimum possibility of activity for the others in which I believed. I was a member of the 13-15 June 1991 Convention, when I opposed the reconstruction of the historical parties in the Romanian system. The events of 13 June and their consequences on the 14th and 15th were due to a serious political error, which has led to create, instigated by the Peter Roman administration. Social conflicts are not solved by force.

[Loser] You joined the PNL (National Liberal Party) in September 1991. Did you give a much thought?

[Bucurari] I was moving toward one of the historical parties in any case. The PNL seemed the most appropriate in terms of the ideas. I am truly worried with the choice. I have found people who analyze in sufficient depth the reality of the Romanian political situation, and who are determined to use this analysis.

[Loser] Why has the PNL assumed its responsibility of participating in the government?

[Bucurari] First of all, the government is led by someone who claims to be independent. Secondly, the momentary collapse of the FSN has generated the need for change, a change in which we believe and which we want to control. The administration from 1990 to September 1991 was a constitutional system, and that, only because society no longer supported a dictatorial system. The PNL carried out not only a good technical political operation, but one which also changed things, better all the attacks from the Peter Roman trait, concentrated against us, directly or indirectly through the intermediaries of other forces which incorrectly assert that nothing was obtained by the creation of the PNL, into the government. In any case, it will never again be possible to take measures against the population attacks in short-term without warning, through a strong political process of opposition.

[Loser] What functions do you perform in the National Liberal Party?

[Bucurari] I am Executive Secretary and I work in the Communication Department. In this function, I have participated in the adoption of positions regarding the current political situation.

[Loser] What is your position toward the Democratic Convention?

[Bucurari] It played an important constitutional and institutional role in local elections, but this role has ended. The form in which the opposition will be unified must be thought.

[Loser] How about the National Convention for Establishing Democracy?

[Bucurari] We are members of this forum of parties, which has no structure, and in general, we are against the construction of political structures other than the current ones. Any change in structure, or structure arrangements will only reveal the disunity and weakness in this young machine. We are disengaging ourselves both from Peter Roman, who says that we have the entire right, and from Nicolae Manolescu, who speaks of national organizations. The position of the PNL (New Alliance Party) president is clearer, but the same kind of repeating seems to exist somewhere there.

[Loser] Manolescu has recently commented on our statements regarding the relationship with CERN (European Union of Hungarian in Romania).

[Bucurari] The PNL president and public opinion must know that we evaluate rather than label. I have said that some of the communication channels between us and CERN closed up due to a lack of communication flow. We asked for clarifications, which we did not receive regarding the positions that some CERN representatives adopted abroad about Romanian-Hungarian relations in Transylvania, and about the statements of some Hungarian political figures. The latter cannot provide

that are dangerous for the political climate of this area. I hope that the Hungarian representatives understood what I said better than Nicolae Manolescu.

[Coste] Tell us about PNL's relations with PAC.

[Bernard] Here, the problems are more diverse. From the fact that the PAC president referred to my switch from one organization to another, we note a shift from one doctrine to another, or from some principles to others within PAC, a very rapid shift, which worries us. Similarly, we observe that the manner in which things are analyzed is closer to the analyses of those who surrounded Petre Roman, than to our own approach to analysis.

[Coste] Manolescu considers that the Democratic Convention is essential for the legislative elections.

[Bernard] We don't view our situation solely from a quantitative standpoint, but also in terms of quality, of affinity, of fit, of political style, and of certain political principles. That is why we find it difficult to discuss matters with those who place everything in a quantitative equation. The electorate wants quality and will be increasingly difficult to deceive with quantitative formulas.

[Coste] Independently of relationships, how do you rate the Civic Alliance Party?

[Bernard] I think that it has a good potential, men who can do politics.

[Coste] How about the legislative elections?

[Bernard] We must have a large representation in Parliament from the true democratic forces, and in particular from the historical parties. That is why I spoke of rethinking the unity formula, from a privileged relationship between PNL with larger proportions of PNCD (National Peasant Christian Democratic Party) and PSDR (Romanian Socialist Democratic Party). We believe that this is the best formula, and the one most expected by the Romanian population. At the same time, we consider that the presidential elections must take place after the legislative ones.

[Coste] Why?

[Bernard] Because in a junction of Parliament's structure, every voter should determine the way in which the Presidency should run. Both institutions have important state attributes. The voter will be better informed in the presidential election by knowing the results of the legislative election. The options of the Romanian electorate will be better defined, it wants to hasten the reform process, it wants stability. We are certain that the people wants reconciliation, a faster democratic transformation for society, and a true revitalization of the Romanian economy.

Trade Unions Keeping Political Options Open

G. B. 007/14 Bucharest, *TINERETUL LIBER*
in Romanian 17-19/10 Apr 92

[Interview] in two installments with Victor Ciobea, chairman of the National Confederation of Free Trade Unions, by Cristina Bulet, place and date not given. "We Are Aware of the Serious Crisis the Country Is Experiencing".

[17 Apr pp 1-2]

[Text] [Bulet] The trade union confederation you represent and the Swiss Federation of Christian Trade Unions or Constructivists together organized the international symposium "Spring '92." Please begin by telling us about this event, which just ended.

[Ciobea] From our viewpoint, this event was as necessary and useful as it was successful. I do not now need to dwell on its necessity and usefulness because our need is well known, the need of the trade union leaders and staff to attend such programs and to continuously learn. But I think that this need to learn is not limited only to the trade unions, only to this component element of the complex social system, but that it applies equally well to the representatives of the other elements, i.e., the management and the government. The success was due to several factors. First of all, I think that we demonstrated the importance and urgency of the subjects that were discussed during those 7 days, beginning with the issue of the place and role of a trade union in a democratic society, the political system, the relations between parties and trade unions, and collective negotiations and down to aspects regarding inflation, emigration, and the mass media. Mr. Bernard Begert, the leader of the Swiss delegation, raised our country twice before actually beginning to organize the seminar. He was then able to directly observe what our needs were and what were the most important, serious, and sensitive problems we face, which then made the topics of the seminar. The success of the seminar was also due to the special quality of the lectures presented and the composition of the Swiss delegation. We were honored by the presence of members of the Parliament of the Swiss Confederation, Parliament members from various Swiss cantons, directors of the Superior School for Economic and Administrative Staff, directors and experts from other socio-economic areas, members of the Federation of Christian Trade Unions or Constructivists and of the Swiss Confederation of Christian Trade Unions, journalists, and others. We were also honored by the presence of the Romanian president in the opening meeting, as well as that of the prime minister, the Senate speaker, and the Swiss ambassador. All that reflected the importance that was I think directly attached to the seminar. Through these contacts our guests had an opportunity, as they themselves stated, to find out about the situation prevailing in Romania, some other of our needs and necessities, and some few opportunities for cooperation. I am convinced that this symposium was only the beginning

beginning of relations in the most diverse areas, especially of course in that of trade union activities.

[Bucuresti] The entire national collective labor contract of the CNC [National Consultative Council] was signed on 17 March. Were you satisfied with what you had achieved?

[Cluj-Napoca] After many rounds of negotiations held between November 1991-January 1992 with the prime minister and other government members, as well as with representatives of the management, the three confederations belonging to the CNC managed to sign the first national collective labor contract in the history of our trade union movement. That was signed on 21 January 1992. As is known, the clauses regarding the material benefits had been the subject of only preliminary negotiations, subsequently basic differences of views emerged between the trade union representatives and those of the management and government regarding those clauses. They were followed by strikes, which culminated in the meetings organized throughout the country on 14 February this year, in which hundreds of thousands of trade union members affiliated to the three confederations participated. Many further rounds of negotiations followed with the prime minister, government members, and management representatives and they finally led up to the now well known amendment of the government decisions, especially of Decision No. 23 of this year, which established the pay fund of reference. As an outcome of the modification of those regulatory acts, the necessary legal framework was created for ensuring the actual implementation of those clauses of the national collective labor contract dealing with pay and other personnel benefits. Consequently, we were able to proceed to the final negotiation of those clauses and on 17 March to sign the contract in its entirety. We still disagree with the government and management representatives regarding the minimum wage in the economy, which was not specifically mentioned in the national collective labor contract. One thing we have to point out though: Unfortunately, there exists a fundamental conceptual difference between the trade unions on the one hand, and the government and management representatives on the other regarding the idea of a collective labor contract, tripartite relations, and the role and place of the trade unions in a genuine democracy. On the one hand, according to the idea of the trade union confederations, this collective labor contract, which must be signed at the national level for every branch and at the level of enterprises and institutions, is a particularly important tool for the relations between the management and trade union organizations, because it sets the limits of the game and the foundation for a certain social stability for a determined period of time. We also have clear provisions in the Constitution along this line, which sanction and guarantee the need for and the outcome of collective negotiations, and we also have a law on collective contracts, Law No. 13/1991. Nevertheless, the other partners are questioning the need for such contracts both at the national level and at the level of

enterprises and institutions. There is no doubt that unless we overcome this mentality, unless people realize the need to create a real tripartite relationship and to establish a sound social partnership, we can certainly not have any real collective negotiations.

Also, we noted an extremely dangerous attitude on the part of some of the representatives of the management and of the state institutions involved in the process of negotiations, especially of the bureaucracy of those institutions. Each department, each county directorate, each economic enterprise, and each institution expects an expressed order from the relevant ministry, the government, or even the prime minister, expressly confirming that it is obligated to hold negotiations and to sign collective labor contracts, specifying that the national or branch collective labor contract does apply to it, and so forth. Consequently, we must take all the steps and make all the necessary changes to overcome this mentality and to prove, not just in words but by actions, too, that the management and the government indeed wish a genuine tripartite relationship.

[18-19 Apr pp 1-2]

[Tortos] [Bucuresti] The minimum wage in the economy started many discussions and controversies. What was the stand of the trade union confederation you represent?

[Cluj-Napoca] As I was saying, unfortunately, the management and government representatives refused to include in the national collective labor contract a clause fixing a minimum pay higher than that envisaged in the government decision. The same trend is unfortunately noted at the branch level, too, and even at the level of enterprises and institutions. Thus, we are at a real impasse in connection with this aspect, which is generating great social tension. We will undoubtedly wield all the specific forms of trade union struggle to raise the minimum pay in the economy, because at this time, I think that everyone is convinced—and the management and government representatives will also have to be convinced—that the minimum pay established for the economy under the government decision is insufficient to ensure even a decent life, but even the survival of a wage earner and his family. I will not even say anything about the situation of the pensioners or those on unemployment relief. On the other hand, however, we are aware of the profound socioeconomic and political crisis that the country is experiencing and of the fact that the elections must be held on schedule, and that a government crisis is not desirable at this time. Consequently, we are not in favor of the non-specific forms of trade union struggle preferred in some quarters. On the other hand, I want to once again stress that we will not make any concessions regarding our natural demand to raise the minimum pay in the economy to a level correlated to the present prices, especially the prices of foodstuffs and agricultural products. Consequently, we do not want the government to resign, but neither will we be blackmailed by threats to

that effect. We hope that everyone will fulfill their obligations and correctly and completely do their own duties.

[Balint] In order to win the struggle for having trade union rights recognized and defended, will your trade union confederation begin to lobby [in English in the text] the parties?

[Ciurbea] Generally speaking, we remained faithful to the legal provision and the concept that the trade unions will not engage in politics. These are professional organizations that struggle to defend the socioeconomic rights of their members. In reality, however, as I said before, by struggling to defend and promote these economic and professional rights and interests, we willfully engage in politics—economic, social, and trade union politics. On the other hand, we realized that if we limit ourselves exclusively to dealing with economic, social, cultural, and professional issues and do not practice some lobbying, we will not be able to attain our economic and professional objectives. That is why in reality some change is being imposed by the development of events, and I think that this kind of lobbying, of a relationship with a party, or promoting our own independent deputies, is a must.

[Balint] Have you decided on a specific party or group of parties?

[Ciurbea] We had talks with representatives of the major parties particularly interested in the process of real democratization of the country. For the time being, no final decision has been taken by the confederation leadership. We have had only discussions in principle regarding those parties' programs and their economic choices, and especially regarding social protection and the place and role of the trade unions in the society, etc. Depending on the results of these discussions we will debate the topic with the leadership bodies of the confederation and take a decision.

[Balint] But if you begin party lobbying, do you not think that you may have the misfortune to become controlled by the party in question?

[Ciurbea] This kind of fear is natural; it existed and I think it still exists among trade union members. We have the unfortunate example of almost 50 years of dictatorship, during which the trade unions were nothing but a conveyor belt for the single party. That also explains this very powerful reaction against getting close to any party and even against lobbying. But I think that if a trade union organization is sufficiently well structured, has a very clear concept, and is mature enough, such a risk does not and must not exist.

[Balint] You participated as a guest in the congress of the International Confederation of Free Trade Unions [ICFTU] in Caracas. Did you manage to finalize the discussions on an affiliation between your confederation and ICFTU?

[Ciurbea] On 17-24 March I attended the ICFTU Congress in Caracas, Venezuela. As many analysts stressed, it was perhaps the most important congress since the establishment of the ICFTU in 1949. On that occasion I had talks with the new secretary general, with the other members of the executive committee, with many leaders of national and regional trade union centrals, and with members of the professional secretariats associated with the ICFTU. I believe that those discussions marked a particularly important step toward our confederation becoming affiliated to the ICFTU. Also, in the coming few months several federations affiliated to our confederation will become affiliated to international professional secretariats. Another piece of good news we found out in Caracas is that our Center for Training and Advanced Classes for Trade Union Leaders and Functionaries has become affiliated to the International Federation of Associations for Workers' Education, something that will open up broad opportunities to our confederation for international cooperation in the area of education.

[Balint] As far as I know, you also attended other international events. What can you tell us about the Interdisciplinary Health Group [IGHG]?

[Ciurbea] At the end of February—beginning March I participated in an interdisciplinary group made up of experts from the Ministries of Health and Labor and Social Protection, the National Institute for Management and other institutions which announced leadership and management classes at the Case Western Reserve University [as published] of Cleveland, in the United States. At the end of the program, the Romanian participants together with prominent U.S. personalities, university professors, leaders of Romanian communities, and managers of major firms which sponsored the program laid the foundation for an association called the IGH. The immediate purpose of this group is to prevent the collapse of the health care system in our country, in view of the particularly critical situation in which it finds itself. The long-term objective is to restructure the entire health care system in our country. The association has already held its first session at the Medical School in Bucharest, which was attended by additional Romanian and U.S. members. The session discussed and adopted a statute and the other documents required to register the association as a legal person. We also discussed the current situation of the health care system in light of the fact that the budget bill allocated 50 billion lei less to the Health Ministry than the latter had requested.

Timisoara Mayor Urges CD Unity Be Preserved

63B.00454 Bucharest 22 in Romanian
27 Mar-2 Apr 92 p. 1

[Interview with Timisoara Mayor Viorel Ciurba by Mircea Ionescu, place and date not given. "New Modern for the Electoral Campaign"]

[Text] (Ionescu) In a recent interview you said that you organized an efficient electoral campaign organized by competent people.

[Ciucur] The Democratic Convention (CD) had an electoral campaign directorate which mapped out a strategy and a timetable after the colloquium organized by the U.S. National Republican Institute for Foreign Relations, the electoral campaign directorate "taught us" some new models. Together with the council candidates we held meetings in various points of the city and various neighborhoods to discuss people's complaints and how they would like to see their city. Then we had meetings with workers at the gates, as people were coming off work, we discussed the problems that concern them and thus fall under the authority of the city hall. Poster propaganda yielded fairly good results, although some groups went and tore them down as soon as we put them up. For an audiovisual impact on the public we also organized a kind of electoral caravan which traveled through the city through neighborhoods and streets with loudspeakers and presented the CD program. The caravan was marked with the symbols of the Convention and had people displaying my portrait. We also had signs on local television (lower on Bucharest television). In this way the people of Timisoara had the means to know the better and the results were clearer, even though a "certain segment" of the press mounted rabid attacks on me, at least in the last week, knowing myself to be clear and honest, it did not bother me. I was convinced that the people of Timisoara were able to distinguish between words and actions. The last attack on me was on Saturday which was legally forbidden, but to some people nothing is forbidden.

[Ionescu] What did you think of the results achieved by the CD throughout the country?

[Ciucur] I think that the results are satisfactory for now considering the Convention's preferential means of penetrating smaller localities, because we lacked the financial means of reaching the public. In Timis we made a bigger effort, and as we have seen, it was worth it—almost 45 percent of the country's constituencies belong to the Convention and we have a large number of CD mayors. As we did not have access to central television while the local television broadcasted a considerable hours (18:00-22:00), when people who have to work the next day are asleep, direct contact with the public was very necessary. For example, I went to a locality where we had absolutely no cell of any of the CD parties. However, after talking to two or three people, the candidates (who were independents, but on our list) won more votes than we could have offered as councilor seats, only due to the fact that they were with the Key and with CD parties. If throughout the rest of the country the propaganda had been better structured and had had a better strategy, the results would have been much better.

[Ionescu] Bucharest's problems are well known: water supply, housing, public transportation, sanitation, roads, deliveries. Does Timisoara have similar problems?

[Ciucur] You see, Bucharest's problems are in fact shared by the entire country. We could not say that one city is faring better than another. There are so many priorities that they cannot even be described in such anymore. First sanitation, an area that should be on the agenda of every mayor, public transportation, roads, water, heating. But all city halls are having to contend with the wrong mentality of the government and Parliament. Normally, when the local administration bill was passed, it should have been accompanied by a bill on taxes and revenues. Three months have gone by since then and they still have not passed such a bill. And they should have passed a law on the local budget. It is not normal that the financial administration, which is not controlled by the city hall but by the Finance Ministry, should levy taxes for the city hall, while we do not even know how much and what. This money is flowing about somewhere unknown to us and the government or I don't know who gives us some if they feel like it, and if they don't, they don't. So you do not know what you have in your pocket to manage expenses and you go about blindly and incapable of planning anything.

[Ionescu] Are there plans to tear down very old and run down areas of no historical importance? And what will be the trend, toward apartment houses or individual homes?

[Ciucur] We have a syndicalization plan for the city which was pretty well structured and had been approved by the city hall. Of course, we do not want to build the same apartment houses as in the past, in which we lived in winter and cooked in summer. They were built to meet quotas, with no regard for the standard of construction of a home. I think that we will build blocks of apartments, but also houses (privately owned or in public institutions), villas and houses, according to everyone's pocket.

[Ionescu] What possibilities do you see for the struggle against corruption in Timisoara, a city located just steps from the border?

[Ciucur] You see, this area was always perhaps the most subject to corruption, very large amounts of money, foreign currency, and gold circulated through here, it had business in passports, etc., had other problems, and a large traffic in foreign goods. After the revolution the phenomenon increased, one of the reasons was a mistaken interpretation of the idea of freedom and enterprise. The countermeasures are permanent monitoring of the organs of the accounts opened up in the east. This is the only means not to agree, but to bring down corruption—which exists in the civilized countries too—to reasonable levels.

[Ionescu] What plans do you have to bring in foreign firms?

[Ciucur] I already have quite a few contacts with ambassadors and ministers of western countries and with foreign firms, because now there is increased interest in our country and especially in Timisoara. If

some investors do not come to Romania to give us charity, but to make money. We must accept this fact of the situation. At the same time, however, we must also make money. This does not mean that we are selling our country, because neither did the Americans sell theirs when the Japanese came and invested and built plants there. For the time being we must change our mentality, then perhaps the time will come for us to also go to other countries and open businesses there without those people selling their country to us.

[Romania] Are there any plans for establishing twin cities relations with any city abroad?

[Romania] We have twin cities relations with quite a number of cities and we will continue this process, which was established by law. The municipal council is authorized to establish such economic, social, cultural, and twin cities relations with other cities. More recently it seems that the government has been eluding the law and granting rights that exceed the law. A circular was sent around according to which any twin cities may be established only with the approval of the Public Administration Department of the ministry. The government would do well to read Law No. 69 and consider the last point regarding the duties of city hall municipal councils.

[Romania] How would you describe the people's mood in the city? Apatheticism was rather high at the recent elections and it seemed to indicate a state of indifference toward political events.

[Romania] I would say that is an unfounded assertion. Indeed, the turnout at the elections in Timisoara was about 56-57 percent, but it does not reflect the reality, because big mistakes were made in the distribution of the voting urns. I think that at least 10 percent of the votes were lost. In 1990 the turnout was about 80 percent, so a difference of 10-15 percent is not that great.

[Romania] What do you think that the CD should do to increase its chances at the coming general elections?

[Romania] First of all, of course, it must preserve unity. That is in order to prove that we want less for ourselves, less for the party or for an individual, and that we want to do something for the country. We must set aside personal and party pride. After that, we must indeed earn out more intensive propaganda in the areas in which we have not been too successful. The difficulties are primarily financial, we need cars and we need people. In Timisoara and Timis County we were successful because very many people donated their free time to this electoral campaign, and regardless of who will be in power, we must have a strong opposition in order to prevent the power from doing foolish things, so to speak, an opposition always capable of providing a counterbalance and maintaining a political equilibrium. When we will arrive at that point it will matter less who is in power.

Political, Interethnic Problems in Cluj Viewed

Mayor Fumar's Assessment

R2B-018544 (Bucharest) 22 in Romanian 2430 Apr 92, p. 11

[Interview with Cluj Mayor Gheorghe Fumar by Gabriela Adamesteanu in Cluj on 9 April: "The Hungarian Minority Has Foreseen Its Privileges"]

[Text] April 9th is press conference day at the Cluj City Hall. One radio broadcast that "anarchy attacked the City Hall" has already been discussed, now the talk is about rat killing. "We must annihilate the rats, but weath," suggests one of the participants, C. Mustata. The mayor announces that academician Prodan was delighted to have had his raising and apartment staircase repaired, and promises that waste dumping in the Mianastur neighborhood will be resolved by "effective police intervention." Aside from the mayor and deputy mayor (PUNR) [Romanian National Unity Party], the press conference is also attended by one civil defense representative in military uniform. An economist in professor-university lectures at the Institute of Agronomy, and a founding member of the PUNR, Gheorghe Fumar is the current mayor of Cluj.

[Adamesteanu] Is the PUNR a political party to be reckoned with in Cluj?

[Fumar] Of course. And not only in Cluj. We won 56 percent of the votes in the local election in the Cluj-Napoca municipality and county.

[Adamesteanu] Together with the FSN [National Salvation Front]?

[Fumar] No, by ourselves. Without any coalition. That makes us the government party in the Cluj County and the Cluj-Napoca Municipality, where we achieved our best results. After the general elections we will be one of the four major parties in the country.

[Adamesteanu] Do you not think that, had it not been for that declaration by the Hungarian Defense Minister Lajos Fur, which the television picked up in purpose and with a delay, you would have had fewer voters?

[Fumar] No, nothing of the kind. The government in Budapest did not and has no interest in supporting our political party through such declarations.

[Adamesteanu] What are the objectives of your current activities as mayor?

[Fumar] Objectives concerning restructuring the City Hall activities by establishing new organizational schedules. We will have seven or eight additional services. We also want to introduce two director positions (for economic and for technical and investment affairs). At the same time, there are also personnel changes underway.

Four service heads have been released from their positions. The commission especially formed by the Municipal Council will investigate what happened at City Hall between December 1989 and 15 March 1992. Another objective is to clean up the city. We are not happy about the city's aspect even after these two to three weeks. The going is slow, but we will speed it up.

[Adamesteanu] What data do you have about the PUNR electorate?

[Funar] It is a stable and continuously growing electorate. It incorporates people with various concerns, of various professions, and of all ages.

[Adamesteanu] How many members does the PUNR have?

[Funar] The figures are known, but we keep them secret. We have neither the intention nor are we interested in becoming a mass party. We have several tens of thousands in Cluj and in the county, plus a very large number of sympathizers. For the time being a large percentage of the population is (unfortunately) still waiting to see, they have not decided for one political party or another, but they are showing their sympathies and support for a given political program through their vote.

[Adamesteanu] I understand that among the councilors there are representatives of the two churches.

[Funar] Yes. We are the only political party in the county who made such recommendations, and the idea was mine. The PUNR list featured Professor Moldovan of the Orthodox Theological Institute and Professor Langa of the Greek Catholic Theological Institute.

[Adamesteanu] Does that mean that they are actually on the PUNR lists?

[Funar] Yes. They are on our list. They accepted to run for council seats on our list. Even Mr. Langa, as an independent. We do not force the PUNR line on them, they are independent and they represent church interests in the council council. But we facilitated their access to the council and gave up two PUNR seats for two independents, and we are proud of the two church representatives.

[Adamesteanu] Does City Hall have it in its power to ensure that the Greek Catholic services are no longer held in the open?

[Funar] Yes, they will have churches. We are one step away from achieving that and I hope that the problem will be resolved very soon. I hope that at Easter all the congregants will be in a church and no longer outdoors.

[Adamesteanu] What can you tell us about the Hungarian schools?

[Funar] The problem has been wrongly stated. There are no Hungarian schools. We are in Romania here. In the municipality of Cluj-Napoca, too, all the schools are Romanian.

[Adamesteanu] Hungarian-language schools.

[Funar] There is no school in Hungarian only. And there will be none in the future. There are and there will be no schools in the Hungarian language. I am not talking about the High School No. 13 farce you have in Bucharest, which you accepted, and which is a shame for the capital. You allowed Romanian students and teachers to be thrown out with the help of the Hungarian Embassy. It is a shame for the Romanian capital and its inhabitants to have allowed such a thing. In the Cluj-Napoca Municipality there are no Hungarian schools. And therefore, it is good that no one needs to worry that they will be closed down, because there is nothing to close down. There are schools in which Hungarian takes a more important place as the teaching language. However, there are Romanian classes in all the schools in the municipality. No one can cite any example of a Hungarian school. The fact that some schools in Miercurea Ciuc or Odorheiu Secuiesc may have only Hungarian as the teaching language does not mean that those are Hungarian schools. They are Romanian schools in which the teaching is in Hungarian. The Romanian state is allowing the minorities such facilities. Solving the problem in terms of Hungarian schools is already an attempt to go one step forward. Because if the school is Hungarian, then the area is Hungarian, and if this part of land is Hungarian, then the rest is Hungarian, too. And thus, Transylvania becomes a Hungarian territory and must be joined to Hungary. This is the strategy they are using, we know it very well, we Transylvanians. The matter does not seem to be sufficiently clear to all of the country's other citizens.

[Adamesteanu] So there are no Hungarian-language schools and high schools in Cluj?

[Funar] No. Three of them have more Hungarian-language than a Romanian-language classes. But there is no school with only Hungarian-language classes. There have been pressures and attempts to throw out the Romanian students in order to establish such schools. But they met with no success even during the transitional period. And from now on, there is no chance.

[Adamesteanu] So all these schools will obligatorily have both Romanian and Hungarian students?

[Funar] Of course. And because of the lack of space in three of the University departments, we will be forced to reform the schools. We will close down one or two high schools and the teachers will be transferred to other schools, because privileges had been secured in this area, too.

[Adamesteanu] Are you not worried about causing superfluous tensions? There are already rumors that you stepped in about bilingual business signs.

Prager: Has it a long time. We are the Party of German National Unity, one of the German parties in some areas and in the media, in discussion, and in the press are accidentally in order to give confidence in the idea that we are an ethnic party. As I would like to ask you to make our party known, which messages that any citizen can believe to our party, regardless of ethnic origin. We have in our party Hungarians, too, as well as Germans, Serbians, Bulgarians, and others. The chairman of the PDSB branch in Berlin is a German Professor Otto Siegel.

Interviewer: Well, once again, do you think that there is a pro-Germans in Germany?

Prager: No, but there once was in history. Now this is about anti-Semitism is not to be in order to attract an attention from our members and social difficulties. The fact is being gradually turned attentiveness with the cooperation of the majority's proceeds, too.

Interviewer: What do you think of the cooperation of the PDSB and the PDS?

Prager: Neither of them has an anti-Semitic trend in it. The magazine "LIT" (LIT) takes a more serious approach towards racism. So the chairman did not accept people's opinion that the coalition had been stolen from them. I got into the hands of some representatives of the Jewish community, including those German Jewish Veterans League, German Veterans, and other others. We do not intend the fact that they are Jewish, but the fact that they are cooperating in anti-Germanian policy. "LIT" (LIT) magazine is focused on promoting these antisemitic trends and on creating the historical truth. And here it has been showing various destruction antisemitism and in the Germanian community to the German Veterans League and their allies. People are suffering the most. There are our people's magazines.

Interviewer: Do you read them?

Prager: I read them with great interest.

Interviewer: What other papers do you read?

Prager: I read "LIT" (LIT), "LIT" (LIT), and "LIT" (LIT).

Interviewer: What do you think of the PDSB branch in Berlin?

Prager: It is our business chairman and a good German man, and we are proud of the fact that he is chairman-president of the German Democratic National Union (PDSB). We are looking forward to meeting with him in a few days.

Interviewer: Are you aware of his cooperation with Socialist Germany?

Prager: Yes, the chairman, Edgar Koenig, Professor and Communist League for a long time, we are both from Berlin and I have had the honor of meeting him. People cooperate on such things, on the fact that he was the

action with them in order to achieve something in Germany, one needed a contact, including with the then president of the country, in order to get something. I would like you to give me examples of other Germanians abroad who trade with diamonds the Professor and Communist League.

Interviewer: Are you referring to the diamonds in GDR Germany?

Prager: No. There are diamonds, I am talking about when diamonds to exchange in the currency that of the Government of the GDR. I was there had an opportunity to see it. The currency that of the GDR Government was connected with institutions for international cooperation and for exchange, through the League Foundation and through the fact was going and intention to give a concrete material support.

Interviewer: What do you understand by "concrete material support"?

Prager: Exchange, property, publishing facilities, for example.

Interviewer: I assume that in the case of the bill recently passed in Parliament, the political parties will be forced from receiving outside support?

Prager: Yes, and Parliament did not vote on this with a tall the the US is a national and social association.

Interviewer: And the PDSB is in party?

Prager: We are a political party, one of the German Democratic Party. The US is an organization that supports Germanians of various political views, including members of the PDSB, the PDSB (German Democratic Party), and the PDSB (German Democratic Party). We are not a national PDSB member.

David Carter's Appointment

David Carter's Appointment (2) in Germany, 28.11.82, p. 2.

Interviewer: With David Carter's appointment as Secretary of the PDSB, the PDSB is now in a position to take the PDSB to the PDSB (German Democratic Party) and the PDSB (German Democratic Party).

Prager: A European-type club. This is for the time being representing in Germany, and as an opportunity, but as a building in the case of the PDSB (German Democratic Party). This is a big club for a metropolitan, because a small club is not fitting in the interests of the majority's citizens and even using to economic resources.

Interviewer: What must be the PDSB (German Democratic Party) will in the final decision, 28.11.82, p. 2.

Prager: It is not a part of the final decision and the PDSB (German Democratic Party) will in the final decision, 28.11.82, p. 2.

then plan to get the Hungarian minority off of my mind. Before the war I lived in Buzias, which was attached to the Hungarians. The obligation was to have signs in Romanian, after which it could be in the language of the owner—Hungarian, whatever he was. I do not think that it hurts the Romanian feelings if a store owner puts whatever he wants on his sign, as long as he has fulfilled his obligation to the country's authorities and had a written or Romanian. Then I also heard that they want to take down a plaque with the date of establishment of a Hungarian school, which was 1971. I wonder what the mayor has in mind when he wants to take down that plaque. Does he think that in that way he can change the date on which the school was built? I also heard some other versions. That those schools were Latin language schools, so they were not Hungarian schools, but Latin schools. Latin was the language that was taught in schools during the Romanian interwar era, a late Roman-ian time. On the other side of the mountains there were Greek schools, with bilingual children here to be admitted. I wonder, we would do better to make what the Romanians did, for example during the period between the two world wars, how the human neighbor-lyhood was built, how the city grew, and how the population doubled. The present buildings also stand as a monument, a way of life, a mode, a manner of living. That is the difference between neighborhoods attached to Hungarians, or Slovaks, the center is built in one style, it is very beautiful, we are proud of it, we love it, but the Romanian neighborhoods are very beautiful too—also, in harmony with nature along the Sava canal. The University of Cluj had a reputation in the period between the two world wars. There was Romania, France, Britain, Hungary, the Medical School, and Physics. But going back to the question—Pinar wants to think that his mission is to cause discussion between the two ethnic communities in order to profit the government. The objective is partly classical, just as Mr. Adrian Năstase, presently on the eve of the elections, misrepresented the dimensions of the Hungarian ethnic minority in order to create panic among the Romanian population.

[Adrian Năstase] You do not think that he succeeded?

[Carter] I think that that was not the reason that the local elections were lost in Cluj. In the first round, the Convention won 46 percent of the votes in Cluj, which was very much above half. Consequently, it can be said that almost half of the population of Cluj is democratic. In the first round of elections the PUNR won 33 percent. If in the second round the Convention grew by 2 percent (up to 48 percent), who voted for the PUNR? The PUN (National Salvation Front) supporters. But we know that the social democrats (what both French and Roman claim to be) stand for the most liberal party from a national viewpoint. This means that what matters for the PUN is not the program. They are not a party, but a group made up of the guilty heads of the old regime, opportunists, collaborators, and profiteers who thought that by now supporting the PUN they could continue

enjoying their positions. I do not mean to say that all PUN members are like that. After all, many were disappointed.

[Adrian Năstase] The problem is, what will Cluj do next time?

[Carter] Without further discussion, it will be very hard for Cluj. As it is there have been attempts to build. Pro-democratic caught and-handed a person who was trying to put on eight buildings, married PUN. Where did he get them?

[Adrian Năstase] And the situation in the Democratic Convention, being in the Administrative Union of Cluj?

[Carter] Peter of 21 May, the 1000 people wanted to form a coalition with the PUN (National Liberal Party) and the Social Democratic Party (PSD), but I failed. Later we were talking to party leaders—including the UDRR (Democratic Union of Hungarians in Romania) and the CDR (Group for Social Dialogue) and, together with Mr. Căpănu, we went to the CDR. We took Mr. Căpănu to meet Mr. Lăcătuș. Because we saw that the political parties were greatly diminished even this time, when people did not know. The unity people of the CDR did not even bother to go and meet them, if for no other reason, at least because they knew he had arrived. I went at last. It is interesting to meet such a man. Mr. Mihai Bănuș was the most important. We had several meetings with the CDR and the opposition parties. Then the [Coalition] Alliance was formed. I joined the Alliance. I was also in the Forum. The Forum was founded in Cluj because we thought that if the parties arrived in the counties, the type had to encourage unity. They were very attached to deal here with the Coal. Alliance. I fought with them and I persuaded them to write a letter to tell them that we were glad, so that we could stay together. For two days I struggled at the time to have a communiqué published in ROMANIA LIBERĂ saying we were happy about the Alliance being established. I am very pleased that the PUN (Coal. Alliance Party) moved together with the PNTCD (National Christian Democratic Peasant Party), the PSD (Social Democratic Party), and the UDRR. That is very important. I do not think that the PUN, anyway, is any less. How many members does the Liberal Party have? Say ten thousand. Some county people have already said that they were dealing with the Convention, perhaps others will come out, too. As for us, those who do not belong to any party but are democratic, we will certainly vote for the Key. The election has lost in the Convention because there are armed parties in it. This step is dangerous as a kind of suicide, as a way to be presented against the convention and party. But I do not think that that is the end of the story. The main thing is for the letter being only moral, not political. This is not a question of competing political programs. There is only one program to establish democracy. That followed by all the opposition parties. The PUN is capable of entering alliances with whoever—Romanian or PUNR or the opposition.

[Adamescu:] What was the PU/NR electoral campaign like?

[Cornu:] The PU/NR staged a very aggressive electoral campaign. I heard cars going up Cairo Tower and burning non-stop. I went out to see what was going on, was there an uprising? were the Hungarians protesting? what was happening? Then I saw the cars firing our tricolor and realized they belonged to the PU/NR. After dark airplanes and helicopters flew above the city and a half of two hours. I do not know what they were, because you could not see. That was Thursday the vote was on Sunday.

[Adamescu:] It is being said that the PU/NR campaign consists mostly of people who came to the city recently?

[Cornu:] Not only them. For example, there are people from the university, people who were opportunists under Ceausescu, who fired me from the university, and who are still there. I think that some of them are not going because of me. I represent some sort of "guilty conscience." Under Ceausescu we enjoyed greater solidarity from the simple people, the cleaning women, and the waiters. My colleagues avoided me all the time and did not join me later either. This was the only government that blamed its students when they went on strike, the only government that did not join the University Solidarity. Do not such things make you think?

[Adamescu:] But the Conservatives are, entered into unfortunate alliances.

[Cornu:] Yes, in Oradea. In order to not elect a Hungarian mayor, the opposition voted for the FSN. That was very bad in my opinion, the fact that ethnic origin counted for more than the program, a constitution eventually in a democratic country people do not look at ethnic origin when it comes to the mayor, you look to see whether the person is capable. In my opinion it would be an catastrophe if some towns, like Harghita or Covsna, had a Hungarian mayor. After all there are 2 million of them. A Hungarian mayor can be as good or as bad as a Romanian mayor, right? The Hungarians are citizens of our country, but that is something we keep forgetting. And even if Hungarian cities made some consistent declarations, are the Hungarians then responsible for it? Can you punish them for statements made by Hungarian groups outside? As long as they show loyalty, they must be treated loyalty. What connection is there between a Romanian Hungarian citizen and declarations made by the Hungarian governments in Hungary? Even if we do not like those declarations, we can quarrel with those who made them, not with the citizens here. To hate them, to insult them on television, and to enrage people—that is the policy of this miserable government. A completely wrong policy.

[Adamescu:] If it were up to you, for what date would you set the elections?

[Cornu:] As soon as possible. I think that I would set the parliamentary elections for June. The presidential election I would not schedule at all, because the facts we are a constitutional monarchy. Everybody knows that we are not used to having elections. Perhaps that is precisely why they want to have the parliamentary and presidential elections on the same day, in order to create confusion again, so that the poor voter coming down the mountain and the old man without his glasses should not know where to finish the stamp.

[Adamescu:] What is the situation of the Greek Catholic church?

[Cornu:] Once again, I want to denounce a vote action carried out by the PU/NR and the City Hall, which had a trap for the bishops and the representatives of this church. They went to negotiate with the Greek Catholic bishop, and the trap was: "If you are in the Council you can represent the interests of the church and then you may be able to achieve more." They answered: "We accept, but not on the PU/NR list, because the church is not permitted to show up on political lists. Give us a completely neutral seat on the Council." The church designated Father Langa, the general vicar, a very intelligent man, who also went on television to defend the rights of the church. The City Hall put him on the PU/NR list of candidates, saying that they were ending a seal to the Greek Catholics. Father Langa said that he could not conduct the policies of any party, he picked up a pencil and erased the PU/NR from the list. Next day the performance newspaper wrote that both the Greek Catholic church and the Orthodox church had two insertions on the PU/NR list. The objective was electoral. Father Langa said that he was going to publish a refutation in the press, but I still have not heard of any such article having appeared.

Writers Union Discussion on Anti-Semitism

CSB&J/101 Bucharest ROMANIA LIBRARY
in Romanian 6 Apr 92 p. 1

[Article by Raduza Stere Brumbaru: "Semiotism, Anti-Semitism Brumbaru"]

[Text] On Tuesday 7 April the Writers Union hosted a roundtable discussion on the topic "Semiotism, Anti-Semitism." The debates were led by Mircea Dinulescu and Sorinel Augustin Doman, whose guests were Zvi Mair, Israel's ambassador in Bucharest, and Bo Adali, Finland's ambassador. The objective of the meeting was not so much to clarify matters through discussion, but mostly to bring this problem to the attention of the "center-oriented" press, accused by some of not having adopted a more favorable position toward the anti-Semitic attacks of the extremist magazines. Following are some of the ideas developed during the meeting.

Are the Romanian People Anti-Semitic?

Domica: "The Romanian people are not anti-Semitic, but what can we do when this label is supported by those who write in anti-Semitic magazines?" The Jews may have brought an contribution, but we have managed to suppress or dispute it. We are blaming others for our troubles but the label has come to spread lavishly about ourselves."

George: "Anti-Semitism has become a matter of reflecting the mood, and the public is not prepared to discuss this question. His opinion is that anti-Semitism is an artificially sustained problem, a pathology, driven not phenomenon. The problem is a difficult one because conditions such as Romania which have been subjected to a number of shocks from frequent border changes, express their emotional feelings through nationalism. Except that people are now manipulated by means of the nationalist spirit."

Domica: "The Romanian people are not anti-Semitic, but we do have evidence of anti-Semitism in Romania which we must acknowledge and remove. These outbursts arise against the people's common background and they should be exposed as germination and removed."

Zamfir: "I don't believe that the situation is currently specific to Romania. It may be that we encounter it here or there, but it is sometimes more violent, sometimes more critical. The explanation of what is now happening in Romania is of a political nature. The former political system now (mostly) through legalism, they now seem to Americans with the same intentions with which understand they cause to Jews."

Radulescu: "Anti-Semitism is currently a taboos and problem."

Adati: "Anti-Semitism is a universal problem, verified in all countries. The basis of consideration is ignorance combined with an antisemitic complex, equally due to ignorance. Intolerance has nothing to do with nationalism."

Isarescu: "With the 21,000 Jews and remaining in Romania, this problem should not even exist."

Maier: "Anti-Semitism does exist in Romania and it exists in the press, where it is positive. Anti-Semitism does not exist usually in the communist newspapers, but in the counter-revolutionary press as well. With so many newspapers writing against the Jews, it means that something is wrong in this society. This situation must be fought every day in the press because it does exist, as was also pointed out at the National Salvation Front (NSR) Convention. It is a serious problem for Romania, because it occurs during its transition period. It must be realized if one wants to have a true democracy. We, the Jews, are working on your behalf for Romania, or the U.S. Congress. But there is a limit, because there are no millions of anti-semitic laws against their results in the Jewish people."

Is It the Fault of the Press?

Domica: "We have the most violent anti-Semitic newspapers in Europe. I had expected the press to take a more manifest attitude against these attacks. The publication of our press or the secular tone of some articles strikes nothing. The image of our free press attains the worst situation."

Domica: "I am surprised that our press would attempt such distortions, which means that we don't want to accept the evidence."

Maier: "The journalists are not presently playing their role in democracy, because democracy means responsibility. The antisemitic debate has opened the anti-Semitism file for the first time. The Romanian press has condemned the debate, in which many things were said, and the truth must be stated in full, especially with regard to the existence of anti-Semitism. I asked whether magazines such as *FLUTURA*, *ROMANIA MARE*, *LIBER*, *STRADA*, *NU*, and so on, existed in Israel, and I was told that they did not. And even though I have asked that a position be adopted toward the results against the Jewish people, the press editors have been very weak."

Government's Attitude Toward Anti-Semitic Problem

Maier: "The Romanian Government and President Iliescu have condemned anti-Semitism, but the press response has been very small."

Domica: "While he was prime minister, Petru Roman gave the magazine *ROMANIA MARE* a free hand following some time letters from Haris and C. V. Todor. Recently, the government took a position against anti-Semitism in the press, the president took a position, and after two weeks the anti-Semitic magazines continue their attacks with even greater violence. What is the source of this resistance?"

George: "Anti-Semitism and antisemitism are problems artificially sustained by the government in order to gain opinion and diversion."

Zamfir: "The government is playing its own counter-revolutionary."

Radulescu, secretary general of the Romania-Israel Friendship Association: "Until now, anti-Semitism in Romania has been treated only declaratively, and although there are laws to condemn demonstrations of racism and antisemitism, they are not enforced. Why? Because the situation could be exploited when political, economic, and social failures began to pile up. This campaign was allowed to be unleashed with the government's agreement."

Regarding Mihai Eminescu

Mr. Domica wanted to clarify some points about the Eminescu broadcast in January, in which he participated. After the broadcast, Mr. Domica was repeatedly

accused of disparaging national values. "I was strongly accused following this broadcast, but I did not intend to disparage Eminescu. I was dissociating myself from his extremism. His political articles cannot now be accepted as such, they can have an immediate justification, but now they can serve a bad cause—insulting of others and the idea of racial purity. I challenge them as a political attitude for the present circumstance, but they will remain as a model for our minds."

Anti-Semitism, just like any other form of extremism, of chauvinism, must certainly be condemned. Despite what was said at this roundtable, several newspapers did take a position against the nationalist-chauvinistic campaign of such magazines as ROMANIA MARE or EUROPA, except that their position had no influence at all on the government. As long as communist-type distortions will continue to be the most intimidating weapon of the present administration, let us not entertain any illusions that real disciplinary measures will be taken against this campaign, despite official declarations, for the time being, the nationalist distortion serves the government's purposes.

Problems, Prospects for Agriculture Discussed

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[Article by Engineer N. Marinica: "Problems and Prospects in Agriculture"]

[Text] In the era of the former regime, notable investment projects were carried out in agriculture. Their effectiveness, however, was mediocre for a number of reasons: lack of interest on the part of the producers, excessive bureaucratic centralism, and low prices for the produce sold, and in consequence, demotivatory labor remuneration. After the 1989 revolution, the authority of the state bodies dropped to the point of disappearance, discipline collapsed, working time fell, and collective interest became individual and not solidary, selfish.

It can be said that the situation in the agriculture in 1991-92 was about the same as in 1946-47. The contradictions we see in various opinions about the agriculture are generated by the premises on which they are based. The agriculture is very diversified.

In broad lines, the factors that are blocking the development of the Romanian agriculture in 1992 are the shortage of capital, means of production, and extensive and truthful information regarding the producers, and properties that are too many and too small for family farms to be profitable. According to data obtained from the competent ministry, the number of land owners resulting from the implementation of the land stock bill will be about 6.2 million, and the number of plots of land of about 20 million. Once land is distributed to former owners who now live in cities, their number will make up about 40 percent of the total number of land owners.

It is worthwhile citing the great truth spoken by Professor Gheorghe Ionescu Simion: "Land is like a diamond, the more we cut it up the more it loses in value," and the law of the German scholar Luthy: "When several elements join in producing one item, the smallest element is decisive."

Large investment projects have been achieved in the agrarian branch of the economy: land reclamation, agricultural equipment and machinery (SMA) (Agricultural Machinery Stations), centers for sorting and creating seed, storage facilities, plants for fodder concentrates, large processing plants for agricultural products, fruit plantations, livestock complexes, socioeconomic facilities, institutes for research, planning, and education, and so forth.

Approximately 500 billion (in + \$2 billion) were invested in land reclamation alone, of which 3,100,000 hectares of irrigated land, which is 21.1 percent of the overall arable area or approximately one-fifth of the irrigated land area of Europe.

The investment projects carried out in the agriculture, some of which are up to Western technical standards, represent an enormous asset. These assets cannot be accused of idleness, and the ones that are flawed can be corrected. We must apply the same dictum as in medicine: primum non nocere—first of all, do not damage what is good.

The privatization of enterprises in the rural environment, achieved by distributing shares to the employees, will decide their profitability, with or without important facilities, some of which need to be converted and others to be equipped with new technology. The necessary number of shares owned by the state can be auctioned off in order to obtain funds.

A rational utilization of the rural production units will present the following advantages. It will provide employment for an important number of workers in the area and ensure earnings, it will cut down the number of farmers and thus increase earnings for those who will remain in the branch, it will yield products of an increased value, something that will reflect positively in the national economy, it will raise the level of culture and civilization of the peasantry in view of the skills required to run the enterprises, it will level out the seasonal employment curve to a certain extent.

Paradoxically, the need for capital is currently urgent, capital that the peasants do not have. Wage earners in the country will be tempted to make their savings good by buying land, shares, or agricultural property, especially from city owners who want to sell. There are also city people with capital willing to invest it in agricultural production.

Some farmers, who have the necessary collateral, will borrow money from banks. There will also be foreign investors acting through relatives or intermediaries, or

farming mixed associations. Nevertheless, according to forecasts, the shortage of capital will abate only by about 1995-96.

The most important means of production are owned by the state. Some were left over from the former C&P's [agricultural production cooperatives]. According to the 1990 and 1991 statistical yearbooks, the number of tractors dropped from 151,345 in 1989 to 127,065 in 1990. Some farmers are endeavoring to get machinery of their own, most of which is prohibitive because of exorbitant prices and too long periods of amortization.

Antique means of production dating back dozens of years or newly constructed are not profitable for a modern and highly competitive agriculturist. Some villagers are struggling to get work animals without realizing the economic burden they are taking on, considering the cost of fodder, care, shelters, etc. The only justified exception are work animals or meat and milk livestock in hilly and mountain areas.

In spite of all the shortcomings listed, both the privatized and state agriculture are essentially stimulated by a market economy: competition, demand and supply. At the beginning stage, when the demand is not covered, prices are high, and thus people can accumulate funds that can be invested and contribute to increasing both production and productivity.

By the year 2000 the average prices of the main agricultural products are expected to be two to three times lower than in 1992, while in the 1996-99 they will be the same as comparable prices in the West. This drop will come as a result of computerization, increased productivity and efficiency, better equipment, and of intensified crops and an integrated, higher degree of employment of the labor force.

The average area of land per family, calculated in terms of arable land, will increase from approximately 2.5 hectares on the average in 1992 to about 5 hectares by the year 2000, following land sales by city firms and by some farmers to people with capital.

In 1988, the area of farm land owned in EEC countries ranged between 69.3 hectares (England) to 4.1 hectares (Portugal). In the FRG the average area was 16.8 hectares, after 46 percent of the small holdings disappeared

in the past 50 years. It is expected that in the next 10-15 years the average area of a farm in that country will be 100 hectares.

The degree of intensification of vegetable crops will increase as of 1993 following the expanded cultivation of vegetables, fruit, grapes, seed for export, industrial crops, etc., while in the livestock sector, raising farm animals such as fowl, pigs, sheep, goats, bees, and silk worms, will develop.

As the same time, some products will be partially or completely industrialized with a view to obtaining higher prices. Agriculture will be practiced in a rational, closed circuit system: soil-plant-animal-waste-soil.

The level of employment of the labor force will increase from about 100 days in 1992 to about 205 days by the end of the century.

This will be made possible as a result of the diversification, intensification, and industrialization of the production.

Labor productivity will increase three to five times over compared to 1992 as a consequence of the use of machinery, knowhow, and better information in general and of the duration of employment in productive work.

The number of active farmers, which currently is about 27 percent of the population, will increase by 3-5 percent by 1994, subsequently, because of competition, industrial privatization, increased services, and larger concentration of property, it will drop to 15-20 percent about the year 2000.

Taking the year 1992 as the 100 index, the average family income in terms of constant value will increase approximately quadruple in correlation to other indicators. In relation to the gross income of a family, investments will increase from approximately 5 percent in 1992 to about 25 percent by the end of this decade. Imports will drop to 3-5 percent of the overall value of the production and will center on the import of equipment for new technologies. The export of agricultural produce can come to 20-25 percent of the overall value of the agricultural production by the end of the century.

On the basis of these developments, by the year 2000 Romania can expect to come closer to the production and quality level of the less developed EEC countries.

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